

CITY OF TORRANCE

2ND QUARTER (MID-YEAR) BUDGET REVIEW



2011-12

AGENDA

FINANCE AND GOVERNMENTAL OPERATIONS COMMITTEE

Date: Tuesday, April 3, 2012
Time: 4:30 PM
Place: Council Chambers
Committee Members: Councilman Bill Sutherland, Chair
Councilman Cliff Numark, Member
Councilwoman Susan Rhilinger, Member
Subject: 2011-12 Second Quarter Budget Review

OPENING REMARKS	Chair, Bill Sutherland
INTRODUCTION	Mary K. Giordano Assistant City Manager
2 nd QUARTER PRESENTATION	Eric E. Tsao Finance Director
PROGRAM MODIFICATIONS	Eric E. Tsao Finance Director
INVESTMENT STATUS	Dana Cortez City Treasurer
QUESTIONS & DISCUSSION	Committee/Audience
SUMMARY	Mary K. Giordano
CLOSING REMARKS	Chair, Bill Sutherland

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Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee:

Subject: Mid Year 2011-12 Budget Review

RECOMMENDATION

The City Manager and the Finance Director recommend that the following items be approved by the Finance and Governmental Operations Committee and recommended to City Council for action:

- Accept the Mid Year 2011-12 Budget Review Report
- Accept the City Treasurer's Investment Report
- Approve the program modifications for the City Manager's Office and the Finance Department

EXECUTIVE SUMMARY

The General Fund expenditures for all departments are at 55.6%, with 58.7% of the fiscal year expired, which is compared to prior year expenditure trends of 56.7% and 54.6% in the prior two years. All non-safety departments (General Fund) are well within budget, while Fire and Police are projected to be fully expended by fiscal year end. Revenues through January 31, 2012 are at 46.5%, compared to 45.8% and 47.4% in the prior two years. Even though actual revenue receipts are slightly higher than last year, City revenues are projected to be below budget by \$3.5 to \$4.5 million at fiscal year end. Staff is projecting that actual expenses will be below budget by \$5.0 to \$5.5 million for fiscal year end which will cover the current fiscal year's revenue shortfall. The current fiscal year budget remains balanced.

Economic Outlook

The Gross Domestic Product (GDP) for the United States for the 4th Quarter grew at an annual rate of 3.0%. The economy is recovering. As the recovery continues, revenue streams to the City will continue to improve. The budgetary outlook for the City remains somewhat optimistic.

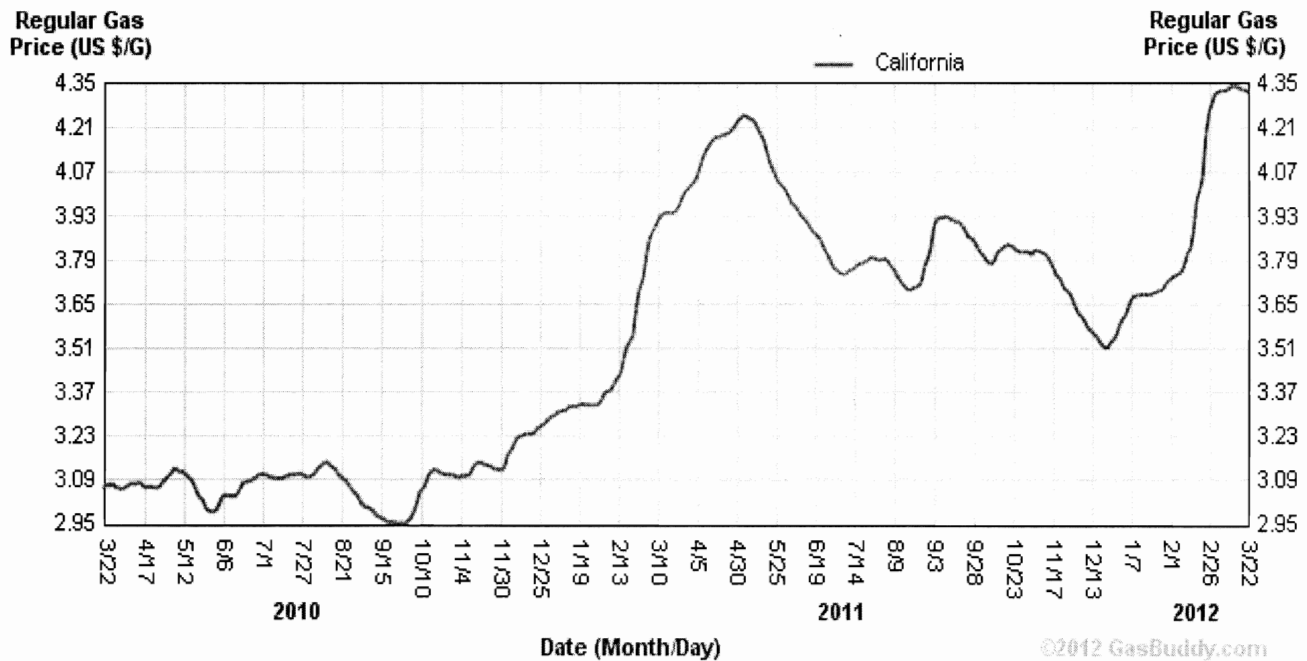
There are many economic indicators that reflect a recovering economy: growth in retail sales and increases in hotel room bookings, the rebound in the stock markets to a four year high, a slight increase in business inventories, and improvements in the job market and unemployment rate. World events and uncertainty (debt concerns, flow of oil, civil unrest, higher fuels prices, etc.,) continue to slow any momentum of economic growth.

Over the last two years, the average cost of retail regular unleaded fuel at the pumps for Californians rose from \$3.09 a gallon to \$4.34 a gallon. As seen in the chart below, retail gas prices have had many fluctuations over the last two years that ultimately resulted in a steady increase.

A Snapshot of Torrance

Population: 145,927
Area: 21 Square Miles
1289 Full-time Employees
6 Fire Stations
1 Police Station &
1 Police Community Center
223 Sworn Police Employees
145 Sworn Fire Employees
6 Public Libraries
47,000 Street Trees
550 Miles of Sidewalks
46 Parks & Recreation Amenities

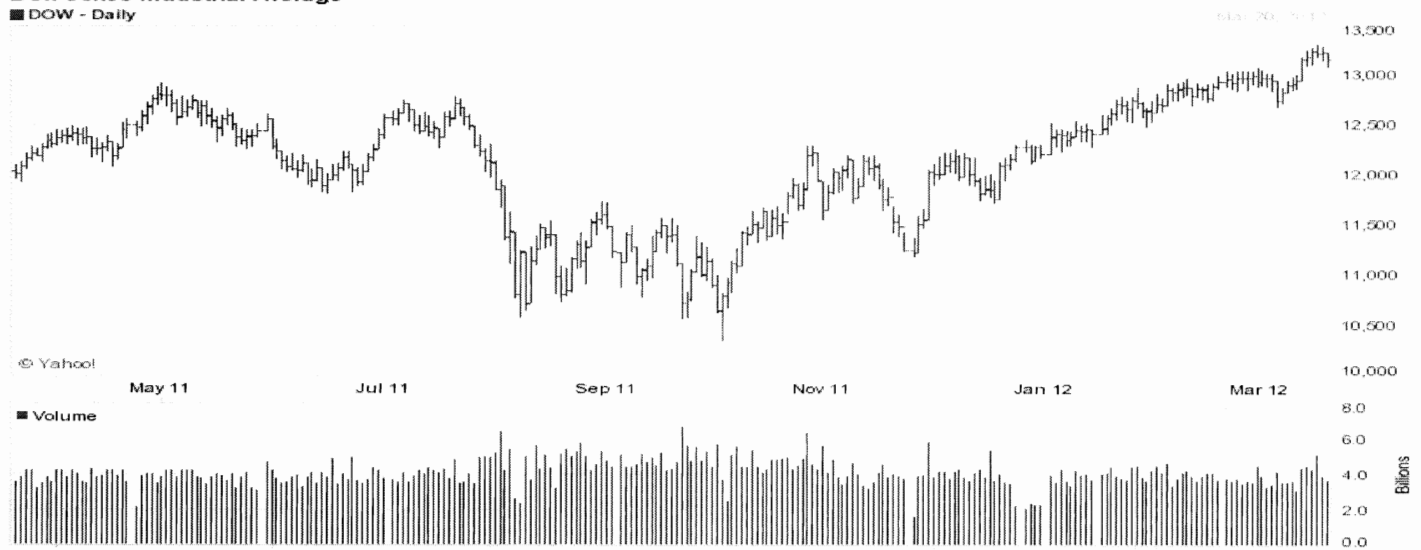
24 Month Average Retail Price Chart



As consumers use more of their discretionary income for fuel, less is available for consumer spending.

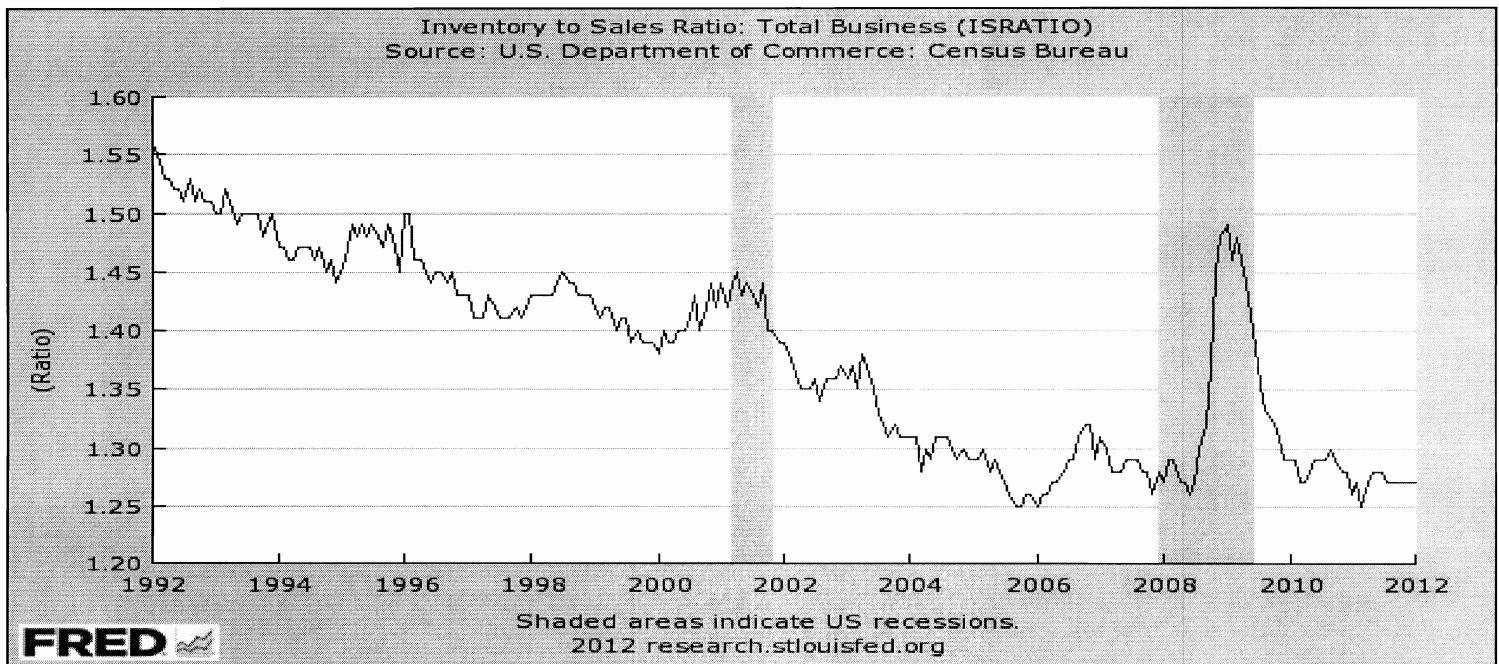
The Dow Jones Industrial Average is trading above 13,000. This is a level that has not been reached since January 2008. This is a favorable sign, since the Dow was at 6,547 in March of 2009, and there are indicators that suggest that it may reach a high near the 14,000 level that was achieved in October 2007.

Dow Jones Industrial Average



Business inventories at January 2012 are at 1.27 inventories to sales ratio, which is slightly higher than the 1.25 one year ago. Companies will increase inventories to keep up with consumer demand and in order for inventories to rise, companies will increase production by adding work hours to the

existing work force or hire additional workers. This is another sign that shows that the economy is beginning to trend upward.



The unemployment rate, although improving, continues to be a drag on the economy. The unemployment rate is a lagging economic indicator and it remains a major concern.

Unemployment, or under employment, directly affects consumer spending, which makes up 2/3rds of the economy. The Federal and State unemployment rates are improving; the February 2012 rates were 8.3% and 10.9%, respectively, compared to 10.1% and 12.5% in late 2009. The unemployment rate for Torrance is currently at 6.0%, which is down 0.2% from February 2011 and is well below the National, State, and County of Los Angeles averages as well as some of our neighboring cities. The unemployment rate can be deceiving since it only measures those actively seeking employment. The drop in the unemployment rate could be attributable to those job seekers who are underemployed or have simply stopped looking. Conversely, unemployment numbers can spike as those who were unemployed and discontinued seeking employment begin to believe the economy is improving and again start seeking employment.

January Unemployment Rate	2012	2011
Federal Gov	8.3%	8.9%
State of California	10.9	12.2
Los Angeles County	11.8	12.3
Carson	12.2	12.6
Gardena	11.3	11.5
Glendale	10.5	10.7
Hawthorne	15.6	15.9
Inglewood	15.0	15.3
Santa Monica	10.0	10.2
Torrance	6.0	6.2

As mentioned above, overall General Fund revenues are projected to be short of budget by approximately \$3.5 to \$4.5 million. The shortfall in revenues is primarily caused by three major revenue sources: Utility Users' Tax, Motor Vehicle in Lieu and Interest Earnings on Investments. As reported in the first quarter and still continuing through January 31, Utility Users' Tax revenues are down, caused by many cell phone users replacing their mode of communication with text messages and other internet/data connections. Internet/data usage is not subject to the Utility Users' Tax. In conjunction with the continued increase in mobile cellular telephones and devices, more and more homes are moving away from traditional land line services. Electricity use in the City has declined as industrial, business, and residents cut back on power consumption.

Motor Vehicle in Lieu budgeted revenues will not be obtained as this revenue source was eliminated by State budgetary actions subsequent to the City approving its budget. This action is being

disputed by the League of California Cities and is scheduled to be heard by the Superior Court in May. Lastly, investment earnings continue to be challenged as interest rates hover around near zero yields.

Sales tax revenues generate approximately \$36 million annually and are the General Fund's second largest revenue source behind property taxes.

Sales tax receipts lag by about one quarter or about three months. In December, the City received final sales tax receipts for the July – September quarter, and in March the City received final sales tax receipts for the holiday season (October – December).

Retail Sales Top 5 Sales Tax Producers by Economic Segment (by 000's)				
Description	Year End 09/30/11	Year End 09/30/10	Variance	%
Auto Sales New	\$ 5,680	\$ 5,203	\$ 477	9.2 %
Department Stores	\$ 4,335	\$ 4,230	\$ 105	2.5 %
Restaurants	\$ 3,542	\$ 3,441	\$ 101	2.9%
Misc Retail	\$ 2,978	\$ 2,911	\$ 64	2.2%
Leasing	\$ 2,376	\$ 2,030	\$ 346	17.0%

Actual sales tax receipts received through January 2012 are higher than last year, as were the March 2012 numbers. This reflects a recovering economy as two-thirds of the economy is driven by consumer spending. At this time, staff is projecting sales tax revenues to be approximately \$600,000 to \$800,000 better than budget estimates.

Occupancy tax revenues received to date are 10% higher than last fiscal year and right in line with budget estimates. As consumer confidence increases, more discretionary spending occurs, which includes consumer spending on travel.

Overall, revenues for the General Fund are beginning to show signs of improvement, with the exceptions just mentioned. Expenditures for the General Fund are well within budget.

2012-13 Concerns

As we look past the current fiscal year to the 2nd year of the 2011-13 Two Year Budget, there are some areas of concern that impact the 2012-13 fiscal year: the dissolution, by the Governor, of all Redevelopment Agencies (RDA) in the State of California; the impact of CalPERS decreasing their assumption on annual inflation by ¼ of a percent; and achieving revenue goals in the Cultural Arts Center and Parks and Recreation Enterprise funds.

Dissolution of the RDA – For many reasons, the dissolution of California's RDA's is not as straight forward as the Governor would have thought. The adage of "the devil is in the details" is all too true. As the California Department of Finance and counties work out the details, there are many unanswered questions. Some of those questions are whether or not Torrance can continue funding a ½ time Planning Assistant using the administrative (5%) cost allowable under the law for running the successor agency, as well as whether or not the City's Home Improvement Program (\$325,000) can still be funded using existing low and moderate income housing monies through the use of the 5% administrative cost.

The oversight board, once appointed by the County, will determine if these costs are allowable or not, as well as what obligations can be funded out of what was referred to as "tax increment."

CalPERS - In January 2012, the CalPERS board approved a decrease to their assumption for inflation by ¼%. This change essentially reduces CalPERS assumption for investment returns from 7.75% to 7.5%, which will increase the City's contribution rate for the Police, Fire and Miscellaneous plans. The increase would take effect beginning in the 2013-14 fiscal year. The increase in the contribution rate for Fire would be \$420K, approximately \$1.1M for Police, and \$500K for Miscellaneous, or about a \$2.0M increase for the General Fund. The CalPERS Board did give direction to phase in the impact

over two years, which would decrease the impact for the first year and slightly increase the above numbers for the 2014-15 fiscal year.

Cultural Arts Center - The Cultural Arts Center is experiencing difficulty in achieving budgeted revenue figures through their charges for rentals and service programs. As of January, the revenue shortfall is projected to be \$166,000. The Center has many fixed costs to operate and expenditures are projected to be below budget by fiscal year end; however, the fund is projected to have an overall shortfall of \$70-\$80K.

Parks and Recreation - Parks and Recreation is another fund that is also experiencing challenges in generating sufficient revenues through their charges for services. While operating revenues as of January 31, 2012 are comparable to last fiscal year, it is projected that this fund will have a revenue shortfall of approximately \$650,000 by fiscal year end. The primary reasons are decreases in revenue for roller hockey, senior citizen social fees, and youth sports classes, which are due to decreased enrollments in the programs. In addition, the skateboard park will not generate any revenue this year due to closure of the facility. These areas will be addressed within the recommendations presented during the 2012-2013 budget process.

Program Modifications:

There are four program modifications that the City Manager is requesting that the Committee approve:

- (1) Approve an appropriation of \$62,540.23 from the sale of Centennial promotional items for the Torrance Centennial FEAP 739;
- (2) Reapprove the staffing change adding 0.5 of a Personnel Technician in Human Resources; and
- (3) Approve an appropriation of \$775,000 from the Reserve for Self Insurance Fund to assist in the funding of workers' compensation claims over four years; and
- (4) Approve the change in funding sources for the design for T-115 – Downtown Torrance Pedestrian Improvement Project from RDA funds to Gas Tax.

The City's Operating Budget remains balanced. The revenue shortfall is offset by savings from departments' budgets, salaries and materials. As part of the 2012-13 budget process, staff will present the City Manager's recommended amendments to the 2nd year of the 2011-13 fiscal year budget to address the effect of the shortfall in revenue on the City's Operating Budget. The 1st Budget Workshop is currently scheduled for May 8 and the 2nd Workshop is scheduled for May 15.

Respectfully submitted,



Eric E. Tsao
Finance Director

CONCUR:



LeRoy J. Jackson
City Manager

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2011-12 BUDGET ANALYSIS
January 31, 2012
GENERAL FUND REVENUE STATUS
(Schedule A)

The General Fund fiscal year 2011-12 budget estimate for revenues is \$165,490,144, of which \$76,955,442, or 46.5%, was received through January 31, 2012, compared to \$76,091,837 or 45.8% of the prior year budget, and 47.4% of the prior year end actual. The financial statements below present budgeted revenues on both an annual and seasonal basis. The annual budget represents the entire amount expected to be received by year end. The seasonal budget renders an additional perspective as it informs the reader monthly of the anticipated amount expected to be received each month based on prior year trends. As of January 31, 2012, actual revenues received are \$864,000 greater than that which was received last year for the same time period. Revenue as a percent of annual budget is better than last year (46.5% vs. 45.8%) by approximately 0.7%.

There are many General Fund revenues that are not realized until after December such as business license tax, franchise fees, triple flip monies from the State, etc. Timing issues and other factors resulted in budget variances that are discussed in more detail in the revenue categories listed below.

The following schedules present the City's key revenue sources with comments as to their realization potential and a projection of under or over-realization compared to budget by fiscal year end.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Tax Revenues:							
Property Taxes	\$ 29,580,000	\$15,443,550	\$ 14,898,043	50.4%	96.5%	\$ 14,774,862	52.3%
VLF Swap & Repayment	11,510,000	5,755,000	5,600,945	48.7%	97.3%	5,537,450	50.0%
Real Prop. Transfer Tax	600,000	324,000	230,587	38.4%	71.2%	253,024	54.0%
Sales and Use Taxes	27,040,000	11,573,120	11,529,812	42.6%	99.6%	11,425,768	39.4%
Sales Tax Flip	8,930,000	4,465,000	4,385,828	49.1%	98.2%	4,298,323	50.0%
PSAF ½ Sales Tax	1,400,000	672,000	647,846	46.3%	96.4%	575,057	47.9%
Utility Users Tax	35,600,000	17,976,614	16,369,529	46.0%	91.1%	16,707,925	50.8%
Business License Tax	8,220,000	1,280,800	4,649,330	56.6%	363.0%	2,156,565	26.9%
Franchise Tax	5,400,000	649,800	794,181	14.7%	122.2%	543,856	11.6%
Occupancy Tax	7,660,000	3,418,899	3,749,307	48.9%	109.7%	3,088,238	44.4%
Construction Tax	800,000	381,680	322,389	40.3%	84.5%	357,220	51.5%
Other Taxes	10,000	5,835	6,648	66.5%	113.9%	5,242	71.1%
Totals	\$136,750,000	\$61,946,298	\$63,184,445	46.2%	102.0%	\$59,723,530	45.3%

Property Tax: As of January 31, 2012, actual property tax received totaled \$14,898,043 or 50.4% of the annual budget compared to \$14,774,862 or 52.3% last year. Actual property taxes received through January 31, 2012 is .8% better than last year. The seasonal budget is always projected at 100%. Any amount received over or below the seasonal percentage would result in a variance. Property tax revenues are primarily received in December and April of each year. As mentioned, actual revenues received are slightly above last year's collection rate but still slightly below budget expectations. There are signs in the local economy that reflect positive changes in median home prices in the South-bay area. As of January, this revenue source is expected to be slightly under budget projections by approximately \$500,000.

Also included in this section of the budget is the vehicle license fee revenue source, with an annual budget of \$11.5 million, and the sales tax "triple flip" revenue source, with an annual budget of \$8.9 million. Both of these revenue sources are received from the County of Los Angeles in January and May of each year. The annual combined amounts for this revenue source are expected to be under budget by \$470,000.

Sales Tax: Sales Tax is the City's second largest revenue source in the General Fund, inclusive of the sales tax "flip". Sales tax revenues are derived from multiple sources.

The following segment information is being provided as a tool to assist Council in understanding the source of the City's sales tax revenues.

**Sales Tax by Economic Segment
July 2011 – September 2011**

Category	Percentage
Auto Sales - New	16.50 %
Department Stores	12.60 %
Restaurants	10.30 %
Miscellaneous Retail	8.70 %
Service Stations	6.90 %
Apparel Stores	6.20 %
Leasing	5.10 %
Furniture/Appliance	4.40 %
Bldg. Materials - Retail	4.20 %
Auto Parts/Repair	3.20 %
Light Industry	3.20 %
All Others	18.70 %
TOTAL	100.00%

Top 5 Sales Tax Producers by Economic Segment				
Description	Y.E. 09/30/11	Y.E. 09/30/10	Variance	%
Auto Sales New	\$ 5,680,074	\$ 5,203,107	\$ 476,967	9.17%
Department Stores	\$ 4,335,374	\$ 4,229,844	\$ 105,530	2.49%
Restaurants	\$ 3,542,974	\$ 3,441,657	\$ 101,317	2.94%
Misc Retail	\$ 2,977,985	\$ 2,914,316	\$ 63,669	2.18%
Service Stations	\$ 2,375,879	\$ 2,030,900	\$ 344,979	16.99%

The 2011-12 seasonal sales tax budget for the first seven months is \$11,573,120, with actual revenues received for the same period totaling \$11,529,812 compared to

\$11,425,768 last year. Approximately 99.6% of the seasonal budget has been received. As mentioned above, seasonal budget receipts should be 100%. Any variance over or above this level raises concerns. Specifically, the large volume items such as automobile sales are highly sensitive to the California economy, which is currently reflecting an increase in sales activity compared to last year. Other retail areas that are closely being monitored are department store sales (i.e. Target, etc.), the mall's activity and restaurants.

The annual budget for sales tax revenues is \$27 million of which 42.6% has been received compared to 39.4% last fiscal year which is an increase of 3.2% over last year. This revenue source is highly sensitive to the economy, so much so that it will be monitored daily. At present, the revenue source is expected to be above budget projections.

Utility Users' Tax: Utility Users' Tax (UUT) is the City's second largest revenue source in the General Fund. UUT is a tax applied on consumption of utilities such as gas, electric, water, etc. Due to the volatility of the use of the various utilities, the Finance Department has included a more detailed perspective of this revenue source to better inform the readers of this report.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Utility Users' Tax:							
Electricity	\$ 15,392,000	\$8,370,716	\$7,535,939	49.0%	90.0%	\$8,038,490	54.8%
Gas:							
Refineries	4,061,000	1,669,071	1,664,249	41.0%	99.7%	1,662,169	43.0%
Other	2,767,000	1,151,779	1,171,877	42.4%	101.7%	1,099,344	41.4%
Water	2,009,000	1,009,982	1,211,823	60.3%	120.0%	960,022	50.2%
Cable	1,497,000	748,287	737,770	49.3%	98.6%	711,662	49.9%
Telecom/Cellular	9,874,000	5,026,779	4,047,871	41.0%	80.5%	4,236,238	50.5%
Totals	\$ 35,600,000	\$17,976,614	\$16,369,529	46.0%	91.1%	\$16,707,925	50.8%

The fiscal year 2011-12 annual budget estimate of \$35,600,000 is 3.9% lower than the 2010-11 budget. On January 31, 2012, actual receipts totaled \$16,369,529 or 91.1% of the seasonal budget, compared to \$16,707,925 during the same period last year. Utility Users' Tax revenue is comprised of multiple component elements such as water, electricity, gas, etc. The individual component elements are highly sensitive to consumer utility user habits, which fluctuate throughout the year and, as such, the component items vary from their respective budget levels. This year, UUT receipts have fluctuated (primarily UUT on electricity and cellular phones) and have been below budget estimates throughout the year. This revenue source is projected to be below budget by approximately \$2.7 million.

Business License Tax: The January 31, 2012 seasonal budget estimate is \$1,280,800. Actual revenues received through January 31, 2012 totaled \$4,649,330 or 363%, compared to \$2,156,565 last year. New operational procedures were implemented which expedited the collections of this revenue source. It should be noted that this revenue source's annual renewals are billed in mid-December, due on January 1, and delinquent on February 1. Therefore, the remaining receipts are realized in the third quarter. The annual budget for the Business License Tax is \$8.2 million and it is projected that the budget will be realized.

Franchise Payments: The majority of all franchise payments are received in the fourth quarter. The franchise annual budget is \$5.4 million. Staff is monitoring this category closely and is projecting the annual franchise revenues to meet or be slightly below budget projections.

Occupancy Tax: As of January 31, 2012, \$3,749,307 in actual revenues has been received, or 109.7% of the seasonal budget estimate, compared to \$3,088,238 in the prior year. At this time, actual revenues for the year are expected to meet or be slightly above budget projections.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Licenses and Permits:	\$ 2,121,000	\$ 1,222,543	\$ 1,026,779	48.4%	84.0%	\$ 979,016	57.4%

Licenses and Permits: The fiscal year 2011-12 annual budget estimate of \$2,121,000 represents a 1.3% increase from last year's budget. As of January 31, 2012, \$1,026,779 has been received compared to \$979,016 last year. This revenue source is expected to reach budget estimates.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Revenues from Other Agencies:							
State Motor Vehicle Licenses	\$ 580,000	\$ 580,000	\$ 74,069	12.8%	12.8%	\$ 183,440	26.8%
Other Revenues from Agencies	400,000	226,400	177,545	44.4%	78.4%	164,318	49.0%
	\$ 980,000	\$ 806,400	\$ 251,614	25.7%	31.2%	\$ 347,758	34.1%

Motor Vehicle-In-Lieu: The January 31, 2012 annual and seasonal budget is estimated at \$580,000, with total actual revenues of \$74,069 received in September as the final payment for fiscal year 2010-11. Starting with fiscal year 2012, this revenue source was eliminated by the State through budgetary actions.

Other Revenues from Agencies: This revenue consists of subventions from the State for the homeowners' property tax exemption, budgeted at \$250,000, and Other State Revenue is budgeted at \$150,000. At present, projected revenues are expected to be realized.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Fines and Forfeitures:	\$ 1,330,000	\$ 757,076	\$ 721,069	54.2%	95.2%	\$ 650,950	60.0%

Fines and Forfeitures: This revenue source is an estimate of general court, traffic fines, and parking citation income the City will receive. As of January 1, 2012, \$721,069 has been received compared to \$650,950 last year. At present, projected revenues are expected to be slightly under budget projections.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Use of Money and Property:							
Investment Earnings	\$ 2,000,000	\$ 1,169,335	\$ 699,582	35.0%	59.8%	\$ 759,148	72.0%
Other	1,360,000	797,445	784,818	57.7%	98.4%	755,276	57.4%
	<u>\$ 3,360,000</u>	<u>\$ 1,966,780</u>	<u>\$ 1,484,400</u>	<u>44.2%</u>	<u>75.5%</u>	<u>\$ 1,514,424</u>	<u>63.9%</u>

Investment Earnings: The actual receipt rate through the first seven months of fiscal year 2011-12 is 59.8%. The annual budget for this group of accounts is \$3.4 million. It is projected the investment earnings to be under budget by \$500,000 due to lower cash balances and low interest rates, staff is monitoring this revenue source closely to determine the shortfall for fiscal year 2011-12. The other category are made mostly up of rental income for various properties located in the City, this revenue source is expected to meet budget.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Charges for Current Services:							
Construction/ Engineering & Other Charges for Svcs	\$ 5,069,000	\$ 2,848,676	\$ 1,681,765	33.2%	59.0%	\$ 1,854,443	40.7%

Other Charges: This category summarizes construction-related fees, engineering fees, library fines, fire fees, etc. Actual revenues as of January 31, 2012 are at 59.0% of the seasonal budget. At present, projected revenues are expected to be achieved.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Other Revenues:	\$ 15,880,144	\$9,658,929	\$ 8,605,370	54.2%	89.1%	\$11,021,716	58.9%

Other Revenues: This category represents miscellaneous revenues to the City, including operating transfers not categorized into specific revenue types. As of January 31, 2012, the annual budget of \$15.9 million is expected to be realized.

	Annual Budget	Seasonal Budget 2011-12	Actual 01/31/2012	Actual % Of Annual Budget	Actual % Of Seasonal Budget	Actual 2010-11	% of Year-end Actual 2010-11
Total General Fund Revenues:	\$165,490,144	\$79,206,702	\$ 76,955,442	46.5%	97.2%	\$76,091,837	47.2%

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EXPENDITURE OVERVIEW

All General Fund departments are within their overall budget as of January 31, 2012.

The General Fund, Enterprise and Internal Service Fund Financial Statement Summary (revenues and expenditures budget to actual) as of January 31, 2012 compared to last fiscal year 2010-11 are shown below.

GENERAL FUND EXPENDITURES

The General Fund budget expenditure level, including prior year encumbrances for the fiscal year is \$166,787,645 of which \$92,872,533 has been expended as of January 31, 2012. Expenditures are 55.6% of budget estimate at January 31, 2012, compared to 56.7% and 54.6% in the prior two years. The category of expenditure levels are as follows:

	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>	<u>Fiscal Year 2009-10</u>
Salaries and Benefits	57.8%	58.3%	56.1%
Materials, Supplies, Services	49.3%	52.3%	50.8%

General Fund expenditures by department are presented in Schedules B-B2 of the 2nd Quarter 2011-12 tab.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for financing of goods or services provided by one City department to other departments of the City and to other governmental units on a cost-reimbursement basis. The City currently has two Internal Service Funds: Self-Insurance and Fleet Services. The Self-Insurance Fund is use to finance and account for the City's risk management, liability claims and self-insurance programs. The Fleet Services Fund is use to finance and account for the City's vehicular equipment. The following summary compares January 31, 2012 results to budget estimates. Financial statements for each Internal Service Fund are presented in Schedules D through E-2.

SELF INSURANCE FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Self-Insurance				
Revenues	\$2,392,777	\$1,427,477	59.7%	64.2%
Expenses	(4,506,871)	(2,848,164)	63.2%	64.5%
Operating income (loss)	(2,114,094)	(1,420,687)		
Operating transfers in	1,163,500	682,974	58.7%	58.9%
Operating transfers out	(4,073)	(2,656)	65.2%	63.5%
Net income (loss)	<u>\$ (954,667)</u>	<u>\$(740,369)</u>		

Actual revenues are within budget as of January 31, 2012. Revenues this year are lower than last year due to a recovery received last year from a casualty company in the amount of \$108,069. There were no recoveries received this year.

Expenditures are higher due to annual insurance premiums paid at the beginning of the fiscal year and workers compensation claims exceeded their budget as of the January 31, 2012. A program modification will be presented to the Finance Committee to request additional funding of \$775,000 for workers compensation claims from the Self Insurance Reserve to fund the rest of this fiscal year's claims.

The Self Insurance Fund received subsidy from the General Fund of \$682,974 which is reflected in the operating transfers in.

FLEET SERVICES FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$5,046,348	\$3,239,363	64.2%	62.1%
Expenses	(5,874,753)	(3,047,348)	51.9%	52.8%
Operating income (loss)	(828,405)	192,015		
Interest Income	254,000	139,996	55.1%	31.2%
Gain from Sale of Fixed Assets	80,464	-	0.0%	38.3%
Income (Loss) Before Transfers	(493,941)	332,011		
Operating transfers in	587,671	394,515	67.1%	62.1%
Operating transfers out	(19,753)	(14,151)	71.6%	89.3%
Vehicle Acquisitions	(3,796,854)	(695,325)	18.3%	9.6%
Add: Depreciation	2,200,000	941,875	42.8%	46.7%
Change in cash available after vehicle acq/depreciation	<u>\$(1,522,877)</u>	<u>\$ 958,925</u>		

Fleet Services operating revenues and expenses are within budget as of the January 31, 2012. Interest income is comparable to last fiscal year but the percent of budget to actual is higher this year due to a \$196,000 budget adjustment. This adjustment was made this fiscal year to be more in line with actual interest income.

The proceeds from sale of fixed assets in the amount of \$69,680 was received in February of this fiscal year unlike last year where the proceeds came in December.

Operating transfers in include \$274,620 transfers from General Fund to fund operations and \$119,895 from the Sewer Enterprise Fund to partially fund the purchase of a sewer cleaning truck approved by Council on September 13, 2011.

Operating transfers out represents transfers to various replacement funds such as Data, Radio, Telephone and PC Replacement funds. Last year's transfers are slightly higher due to the \$15,000 transfer to the City Services Building Abatement & Replacement Flooring Project. There was no transfer to a capital project this year.

Vehicle acquisitions are at 18.3% of budget but there are outstanding encumbrances for vehicle acquisitions of \$1,913,126 as of January 31, 2012.

ENTERPRISE FUNDS

Enterprise Funds are used to account for fee-supported businesses operated by the City. Net earnings of these funds provide working capital for maintenance and betterment of the equipment and fixed assets of the business. The following summary compares January 31, 2012 results to budget estimates. Financial statements such as the Balance Sheet, Statement of Revenues and Expenses and Cash Flow Statement for each Enterprise Fund are presented in Schedules F through M-4.

AIRPORT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Airport Fund				
Revenues	\$11,330,100	\$6,440,839	56.8%	53.6%
Expenses	(5,459,749)	(3,000,188)	55.0%	52.8%
Operating income (loss)	5,870,351	3,440,651		
Interest Income	75,000	56,775	75.7%	28.8%
Interest Expense	(102,000)	(59,873)	58.7%	58.9%
Operating transfers out	(6,634,891)	(4,110,110)	61.9%	59.0%
From Fund Balance	791,540	464,634	58.7%	100.0%
Net income (loss)	<u>\$ -</u>	<u>\$ (207,923)</u>		

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Airport Fund-Aeronautical				
Revenues	\$4,042,100	\$2,397,949	59.3%	56.5%
Expenses	(3,583,929)	(1,926,302)	53.7%	50.7%
Operating income (loss)	458,171	471,647		
Interest Expense	(102,000)	(59,873)	58.7%	58.9%
Operating transfers out	(531,143)	(527,253)	99.3%	92.6%
From Fund Balance	174,972	102,709	58.7%	0.0%
Net income (loss)	\$ -	\$ (12,770)		

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Airport Fund-Non Aeronautical				
Revenues	\$7,288,000	\$4,042,890	55.5%	52.0%
Expenses	(1,875,820)	(1,073,886)	57.2%	56.5%
Operating income (loss)	5,412,180	2,969,004		
Interest Income	75,000	56,775	75.7%	28.8%
Operating transfers out	(6,103,748)	(3,582,857)	58.7%	58.9%
From Fund Balance	616,568	361,925	58.7%	100.0%
Net income (loss)	\$ -	\$ (195,153)		

The aeronautical sub-fund reflects airfield operations. The revenues and expenses as of the January 31, 2012 are within budget. Operating transfers out account budget includes a \$56,925 funding for the Airport Hangar Roof project (FEAP763) approved by Council on October 18, 2011. There were three additional projects that were approved by Council on January 10, 2012 as part of the 2011-12 Capital Projects: \$38,500 for (FEAP778) flooring for the General Aviation Center, \$190,000 for (I118) Meadow Park Parking lot resurfacing and \$189,970 for (I126) Airport Pavement Maintenance.

The non-aeronautical sub-fund reflects the leasing of commercial property outside of the airfield boundary. The revenues are 55.5% of annual budget, however, there will be a payment of \$450,000 to be received on or before May 13, 2012 from LDC Skypark LLC that is part of the City's agreement to amend the ground lease per council item approved on March 13, 2012. This revenue will offset the net loss as shown above.

The expenses of non-aeronautical are within budget as of the January 31, 2012. Interest income received and the percent of budget to actual is higher than last year due to an adjustment in the annual budget. The annual budget was reduced by \$125,000. An increase in interest income budget will be proposed for next fiscal year to be more in line with actual income.

Operating transfers out represent transfers to the General Fund and to various replacement funds.

TRANSIT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Transit Fund				
Revenues	\$22,367,761	\$10,928,343	48.9%	55.0%
Expenses	(25,152,931)	(13,267,359)	52.7%	52.7%
Income (loss)	(2,785,170)	(2,339,016)		
Operating transfers in	754,000	523,167	69.4%	100.0%
Operating transfers out	(39,695)	(32,639)	82.2%	80.5%
Add: Depreciation	2,376,000	1,755,531	73.9%	54.7%
Net income (loss) before capital acquisitions	305,135	(92,957)		
Federal Grant & Local Match-Capital	11,676,472	11,676,472	100.0%	0.0%
Less: Capital Acquisitions	(12,070,769)	(12,070,769)	100.0%	0.0%
	\$ (89,162)	\$ (487,254)		

Transit revenues for the current year are lower than budget due to timing of receipts of revenues. Revenue such as capital maintenance which is budgeted at \$2,250,000 will be received towards the end of the fiscal year. Last year, the State Transit Assistance (STA) funds of \$1,009,408 were received in full at the beginning of the fiscal year while there was only \$219,524 of this year's STA funds that was received as of January 31, 2012.

According to Metro there was a delay this year due to the delay in the receipt of funds from the State. In addition, the actual revenues are lower than last year because of the amount of Proposition A Exchanges. Total Proposition A Exchanges as of January 31, 2012 is \$600,000 as compared to \$1,250,000 last year.

Expenses are within budget as of January 31, 2012. Capital acquisitions include the purchase of twenty new buses, and the fare box collection system. There were no large capital purchases last year.

Operating transfers out represents transfers to the Data, Radio and PC Replacement Funds.

WATER FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Water Fund				
Revenues	\$32,901,055	\$20,025,718	60.9%	56.1%
Expenses	(31,463,359)	(17,216,123)	54.7%	55.6%
Operating income (loss)	1,437,696	2,809,595		
Interest Income	75,000	80,193	106.9%	32.6%
Interest Expense	(74,300)	(16,086)	21.7%	16.2%
Operating transfers out	(287,490)	(283,233)	98.5%	94.4%
From Fund Balance	-	-	0.0%	58.7%
Net income (loss)	<u>\$ 1,150,906</u>	<u>\$ 2,590,469</u>		

Revenues are within budget as of January 31, 2012 and higher than last year due to the water rate increase. On February 15, 2011, Council approved a series of water rates, service charge adjustments and a new conservation based tiered rate structure for the 5 year period of 2011 through 2015. The increase took effect on March 1, 2011. The annual budget for revenues was also adjusted this year to reflect the increase in rates.

Interest income annual budget was reduced by \$175,000 this year. However, earnings exceeded budget as of January 31, 2012. Budget will be readjusted for next fiscal year.

Expenses are within budget as of January 31, 2012. Transfers out account include the annual transfer to the various replacements funds such as Radio, Data Communications and Personal Computer Replacement Funds.

EMERGENCY MEDICAL SERVICES FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Emergency Medical Services Fund				
Revenues	\$1,710,000	\$941,373	55.1%	58.4%
Expenses	(10,108,399)	(5,880,152)	58.2%	57.3%
Operating income (loss)	(8,398,399)	(4,938,779)		
Operating transfers in	8,975,199	5,201,407	58.0%	53.3%
Operating transfers out	(583,000)	(262,628)	45.0%	0.0%
From Fund Balance	6,200	-	0.0%	0.0%
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>		

The revenue sources of the Emergency Medical Services Fund are the Fire Advanced Life Support Response (ALS) and Transport fees, the medical re-supply fee, the ALS assessment fees, and the paramedic medical facility fees. The revenues as of January 31, 2012 is 55.1% of budget but projected that these revenues will be in line with budget at year-end.

This fund also receives subsidy from the General Fund to fund operations in the amount of \$5,201,407. Expenses are within budget as of January 31, 2012.

SANITATION FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Sanitation Fund				
Revenues	\$10,250,595	\$6,105,338	59.6%	54.7%
Expenses	(11,600,110)	(5,654,123)	48.7%	50.7%
Operating income (loss)	(1,349,515)	451,215		
Interest Income	15,000	-	0.0%	16.2%
Operating transfers in	162,043	92,918	57.3%	0.0%
Operating transfers out	(119,632)	(68,605)	57.3%	86.8%
Net income (loss)	<u>\$ (1,292,104)</u>	<u>\$ 475,528</u>		

The Sanitation Fund accounts for the refuse, recycling, and waste management AB 939. Revenues are within budget as of January 31, 2012. The revenue budget this year was increased due to the approved sanitation fee increase that took effect on February 1, 2012. Revenues are higher compared to last fiscal year due to the way the new billing system works. The month of January 2012 includes billing for the month of February for Rubbish only customers which is approximately \$400,000. This was not the case last fiscal year. The revenues this year also include an annual Consumer Price Index (CPI) adjustment.

Expenses are lower than budget primarily due to the timing of receipt for dump fees invoices. The invoices received and paid as of January 31, 2012 is through December. Operating transfers out represents the transfers to various replacement funds. There was no transfer made to a capital project this year that is why the total operating transfers out is lower than last year. \$114,000 was transferred last year to the Landfill Gas Extraction Blower/Carbon System Project.

CULTURAL ARTS FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$1,161,490	\$507,823	43.7%	47.5%
Expenses	(2,099,831)	(1,136,391)	54.1%	53.9%
Operating income (loss)	(938,341)	(628,568)		
Non operating revenues	109,440	64,343	58.8%	48.3%
Operating transfers in	713,187	418,641	58.7%	58.9%
Operating transfers out	(62,054)	(15,910)	25.6%	98.5%
From Fund Bal-Capital	50,000	7,320	14.6%	100.0%
From Fund Bal-Operating	127,768	75,000	58.7%	58.9%
Over (under) subsidy	<u>\$ -</u>	<u>\$ (79,174)</u>		

The Cultural Arts Center (CAC) revenue sources come from rental of meeting rooms, classrooms and theater. Actual revenues compared to budget are low due to the economic conditions, cancelations and decrease in events being scheduled. It is projected that approximately \$166,000 of budgeted revenues will not be realized by year-end. Expenses are within budget as of January 31, 2012.

Operating transfers in represents the General Fund subsidy to CAC and \$418,641 was received as of January 31, 2012. Operating transfers out is lower than last year primarily due to CAC capital projects. Only \$7,320 was transferred this fiscal year to the CAC Facility Repairs and Equipment project to replenish this project. Last year, the initial funding was for \$50,000. In addition, a total of \$75,000 was transferred to two capital projects last year: Fire Panel Replacement Project approved as part of the five year capital project plan and \$38,500 to fund the sound equipment at James Armstrong Theater.

SEWER FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$2,732,500	\$1,742,426	63.8%	56.1%
Expenses	(3,964,043)	(2,181,366)	55.0%	55.4%
Operating income (loss)	(1,231,543)	(438,940)		
Interest Income	220,000	114,146	51.9%	29.7%
Operating transfers out	(647,958)	(647,958)	100.0%	4.7%
From Fund Balance	1,659,501	972,752	58.6%	38.1%
Net income (loss)	<u>\$ -</u>	<u>\$ -</u>		

The Sewer Fund accounts for sewer discharge fees received for capital improvements to the City's sewer system. Actual revenues are within budget. Interest income is low due to lower interest rates but comparable to last fiscal year. However, the percent of budget to actual last year was much lower due to a higher annual budget. The budget was reduced from \$450,000 to \$220,000 this fiscal year.

Expenses are within budget as of January 31, 2012. Operating transfers out includes the following transfers to capital projects: \$101,000 to fund the consulting services agreement for the Madrona Marsh Restoration and Enhancement Project and \$364,063 to fund the contract services for the Machado Lake Stormwater Quality Monitoring Project. \$119,895 was also transferred to Fleet Services Fund to partially fund the purchase of a sewer cleaning truck and \$63,000 to fund the trailer mounted pump. Due to these capital projects, the usage of fund balance is higher this year compared to last year.

PARKS AND RECREATION FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$4,815,609	\$2,887,614	60.0%	59.7%
Expenses	(8,457,273)	(4,569,225)	54.0%	58.0%
Operating income (loss)	(3,641,664)	(1,681,611)		
Operating transfers in	3,283,695	1,927,529	58.7%	55.3%
Operating transfers out	(45,095)	(32,739)	72.6%	71.3%
Over (under) subsidy	<u>(\$403,064)</u>	<u>\$213,179</u>		
One-Time Transfers	<u>\$1,100,000</u>	<u>\$494,908</u>	45.0%	0.0%

The Parks and Recreation Enterprise Fund account for fee-related activities of the Community Services Department. The Fund is supported by user fees and operating transfers from the General Fund. During the last year the Department has completed a thorough evaluation of all Recreation and Cultural programs within the Enterprise Fund. Each program was evaluated individually and recommendations were made in terms of both expenditures and revenues including the relevancy of the programs in today's economic environment. Staff will be presenting this revised budget during the 2012-2013 Budget Process.

Operating revenues as of the January 31, 2012 are comparable to last fiscal year. It is projected that this fund will not meet the revenue budget of approximately \$650,000 by year-end. The primary reasons are decrease in revenues for roller hockey, senior citizen social fees, adult sports leagues and youth sports classes which are due to the decrease in the number of registrants. In addition, the skateboard park will not generate any revenue this year due to the closure of the facility. These areas will be addressed within the recommendations presented during the 2012-2013 Budget Process.

Expenses are within budget and are tracking slightly better than last year. If current spending is maintained throughout the rest of the fiscal year, it is projected that savings from the expense budget could offset the shortage in revenues.

A one-time transfer from the General Fund of \$1,100,000 was budgeted this year to fund the negative cash of the Parks and Recreation Enterprise that was caused by prior year's net losses and decreased subsidies.

ANIMAL CONTROL FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$222,000	\$43,779	19.7%	25.0%
Expenses	(465,967)	(182,924)	39.3%	52.2%
Operating income (loss)	(243,967)	(139,145)		
Operating transfers in	243,967	139,145	57.0%	58.9%
Net Income (Loss)	<u>\$ -</u>	<u>\$ -</u>		

The Animal Control Fund accounts for animal licenses, permits, and operations of the Animal Control program. Revenues are at 19.7% of budget as of January 31, 2012. Typically, this fund received its revenues in the last few months of the fiscal year after renewal notices are sent in April. It is projected that revenues budgeted will be realized at year-end.

Expenses are lower than budget due to the savings from the vacant Animal Control Supervisor position which has been vacant since May 2011. This position was filled in December 2011. The timing of receipt of invoices from the County of Los Angeles also caused the expenses to be lower. As of January 31, 2012, invoices received and paid were through October 2011. The November and December invoices were received and paid in February.

Operating transfers in of \$139,145 represents subsidy from the General Fund.

RIDESHARE FUNDS:

The Air Quality Management District Fund (AQMD) and Vanpool/Rideshare Fund are the two funds that are used to account for the City's rideshare program. The AQMD Fund accounts for the City's compliance with air quality management regulations and the Vanpool/Rideshare Fund is used to account for rideshare revenues from Proposition C and fares.

AIR QUALITY MANAGEMENT DISTRICT FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$172,000	\$53,648	31.2%	26.6%
Expenses	(189,062)	(93,073)	49.2%	49.6%
Operating income (loss)	(17,062)	(39,425)		
From fund balance	17,062	10,015	58.7%	100.0%
Net Income (Loss)	<u>\$ -</u>	<u>(\$29,410)</u>		

The Air Quality Management District Fund (AQMD) revenues are lower than budget because the January revenue of \$39,905 was received in February.

Expenditures are within budget and comparable to last year. The redemption of incentive program points has been low since last year.

VANPOOL RIDESHARE FUND:

	<u>Budget</u>	<u>Actual</u>	<u>Fiscal Year 2011-12</u>	<u>Fiscal Year 2010-11</u>
Revenues	\$50,000	\$27,298	54.6%	48.9%
Expenses	(261,930)	(137,306)	52.4%	38.6%
Operating income (loss)	(211,930)	(110,008)		
Other Grants	44,000	23,618	53.7%	53.7%
Transfers In	167,930	97,959	58.3%	60.3%
Transfers out	(31,000)	(31,000)	100.0%	0.0%
From Fund Balance	31,000	31,000	100.0%	0.0%
Net Income (Loss)	<u>\$ -</u>	<u>\$11,569</u>		

Vanpool revenues as of January 31, 2012 are lower compared to budget due to the timing of receipt of January vanpool fees. These fares were received in February. Revenues are also low because fewer employees participate in the program.

Expenses are within budget and much higher than last year because there were no salary charges through January 2011 of last fiscal year due to the employee being on leave. Operating transfers in are Proposition C funds received as of January 31, 2012. Operating transfers out of \$31,000 represents the funding for the Rideshare application project that was approved by Council on January 10, 2012. Unused funds during the year are to be returned to the Proposition C Fund.

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Schedules: Schedule A -- General Fund Revenue Summary - Budget to Actual for Seven Months Ended January 31, 2012.

Schedule B -- Expenditures Summary by Fund -- Budget to Actual-All Funds With Annually Adopted Budgets for Seven Months Ended January 31, 2012.

Schedule B-1 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets-Salaries and Benefits Expenditures for Seven Months Ended January 31, 2012.

Schedule B-2 -- Expenditures Detail By Fund- Budget to Actual-All Funds With Annually Adopted Budgets- Materials, Services, and Other Expenditures for Seven Months Ended January 31, 2012.

Schedule B-3 -- Expenditures Summary-Budget to Actual-General Fund by Character for Seven Months Ended January 31, 2012.

Schedule B-4 -- Adopted Budget and Amendments by Fund for Seven Months Ended January 31, 2012.

Schedule C -- Internal Service and Enterprise Fund Revenue Summary- Budget to Actual for Seven Months Ended January 31, 2012.

Schedule D -- Fleet Services-Combined Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule D-1 -- Fleet Services Combined Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule D-2 -- Fleet Services Combined Fund Statement of Cash Flows for Seven Months Ended January 31, 2012

Schedule D-3 -- Fleet-Operations and Maintenance Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule D-4 -- Fleet-Operations and Maintenance Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule D-5 -- Fleet-Vehicle Replacement Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule D-6 -- Fleet-Vehicle Replacement Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule D-7 -- Fleet-Shop Equipment Replacement Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule D-8 -- Fleet-Shop Equipment Replacement Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule E -- Self-Insurance Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule E-1 -- Self-Insurance Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule E-2 -- Self-Insurance Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule F -- Airport Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule F-1 -- Airport Combined Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule F-2 -- Airport Fund-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule F-3 -- Airport Fund Non-Aeronautical Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule F-4 -- Airport Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule G -- Transit Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule G-1 -- Transit Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule G-2 -- Transit Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule G-3 -- Municipal Area Express (MAX) Combining Statement of Revenues, Expenditures and Changes in Fund Balance for Seven Months Ended January 31, 2012.

Schedule H -- Water Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule H-1 -- Water Fund Operations Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule H-2 -- Water Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule I -- Emergency Medical Services Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule I-1 -- Emergency Medical Services Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012

Schedule I-2 -- Emergency Medical Services Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule J -- Sanitation Enterprise Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule J-1 -- Sanitation Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule J-2 -- Sanitation Enterprise Fund Statement of Cash Flows for Seven Months Ended June 30, 2008.

Schedule K -- Cultural Arts Center Enterprise Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule K-1 -- Cultural Arts Center Enterprise Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule K-2 -- Cultural Arts Center Enterprise Fund Budget to Actual by Programs for Seven Months Ended January 31, 2012.

Schedule K-3 -- Cultural Arts Center Enterprise Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule L -- Sewer Enterprise Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule L-1 -- Sewer Enterprise Fund Operations Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule L-2 -- Sewer Enterprise Fund Operations Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule M -- Parks and Recreation Enterprise Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule M-1 -- Parks and Recreation Enterprise Combined Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule M-2 -- Parks and Recreation -- Recreation Services Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule M-3 -- Parks and Recreation -- Cultural Services Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012

Schedule M-4 -- Parks and Recreation Enterprise Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule N -- Capital Improvements Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule N-1 -- Capital Improvements Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Seven Months Ended January 31, 2012.

Schedule O -- Prop C Local Return/Grants and Discretionary Funds Balance Sheet for Seven Months Ended January 31, 2012.

Schedule O-1 -- Prop C Local Return/Grants and Discretionary Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Seven Months Ended January 31, 2012.

Schedule P -- Torrance Public Financing Authority Restricted Capital Project Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Seven Months Ended January 31, 2012.

Schedule Q -- Downtown Redevelopment Capital Project Fund Statement of Revenues and Expenditures-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule Q-1 -- Low Moderate Income Housing Redevelopment Capital Project Fund Statement of Revenues and Expenditures for Seven Months Ended January 31, 2012.

Schedule R -- Torrance Public Financing Authority Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balance for Seven Months Ended January 31, 2012.

Schedule S -- Skypark Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule S-1 -- Downtown Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule S-2 -- Industrial Redevelopment Debt Service Fund Statement of Revenues and Expenditures-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule T -- Housing Authority of the City of Torrance-Balance Sheet for Seven Months Ended January 31, 2012.

Schedule T-1 -- Housing Authority of the City of Torrance-Statement of Revenue and Expenses for Seven Months Ended January 31, 2012.

Schedule T-2 -- Housing Authority of the City of Torrance-Combined Statement of Revenue and Expenses-Housing Assistance Payments-Budget to Actual For Seven Months Ended January 31, 2012.

Schedule T-3 -- Housing Authority of the City of Torrance-Statement of Revenue and Expenses-Administration-Budget to Actual For Seven Months Ended January 31, 2012.

Schedule U -- Selected Special Revenue Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances for Seven Months Ended January 31, 2012.

Schedule V -- Cable & Community Relations/Public Access/PEG Balance Sheet for Seven Months Ended January 31, 2012.

Schedule V-1 -- Cable & Community Relations Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule V-2 -- Cable & Community Relations Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule V-3 -- Cable TV Public Access Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule V-4 -- Cable TV Public Access Cash Flows for Seven Months Ended January 31, 2012.

Schedule V-5 -- Public Education Government Access (PEG) Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule V-6 -- Public Education Government Access (PEG) Fund Cash Flows for Seven Months Ended January 31, 2012.

Schedule W -- Animal Control Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule W-1 -- Animal Control Fund Statement of Revenues and Expenses --Budget to Actual for Seven Months Ended January 31, 2012.

Schedule W-2 -- Animal Control Fund Statement of Cash Flows for Seven Months Ended January 31, 2012.

Schedule X -- Air Quality Management District Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule X-1 -- Air Quality Management District Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule Y -- Vanpool/Rideshare Fund Balance Sheet for Seven Months Ended January 31, 2012.

Schedule Y-1 -- Vanpool/Rideshare Fund Statement of Revenues and Expenses-Budget to Actual for Seven Months Ended January 31, 2012.

Schedule A

GENERAL FUND REVENUE SUMMARY-ANNUAL BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-To-Date Actual	Budget %	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual	FY 2011 Actual %	FY 2011 Prior Year Total
<u>TAXES</u>							
Property taxes	\$ 29,580,000	\$ 14,898,043	50.4%	\$ 28,530,000	\$ 14,774,862	52.3%	28,260,148
VLF Swap and repayment	11,510,000	5,600,945	48.7%	11,070,000	5,537,450	50.0%	11,074,900
Sales and use taxes	27,040,000	11,529,812	42.6%	26,000,000	11,425,768	39.4%	28,965,148
Sales tax flip	8,930,000	4,385,828	49.1%	8,584,000	4,298,323	50.0%	8,600,381
Utility users tax:							
Electricity	15,392,000	7,535,939	49.0%	15,400,000	8,038,490	54.8%	14,661,294
Gas:							
Refineries	4,061,000	1,664,249	41.0%	6,100,000	1,662,169	43.0%	3,867,422
Other	2,767,000	1,171,877	42.4%	3,000,000	1,099,344	41.4%	2,652,830
Water	2,009,000	1,211,823	60.3%	1,900,000	960,022	50.2%	1,913,645
Cable	1,497,000	737,770	49.3%	1,600,000	711,662	49.9%	1,426,069
Telecommunication/Cellular	9,874,000	4,047,871	41.0%	9,000,000	4,236,238	50.5%	8,388,684
Sub Total - Utility users tax	35,600,000	16,369,529	46.0%	37,000,000	16,707,925	50.8%	32,909,944
Business license tax/permit tax	8,220,000	4,649,330	56.6%	7,900,000	2,156,565	26.9%	8,024,995
Franchise tax	5,400,000	794,181	14.7%	5,400,000	543,856	11.6%	4,693,735
Occupancy tax	7,660,000	3,749,307	48.9%	7,400,000	3,088,238	44.4%	6,958,891
PSAF	1,400,000	647,846	46.3%	1,350,000	575,057	47.9%	1,201,164
Construction tax	800,000	322,389	40.3%	800,000	357,220	51.5%	693,972
Real property transfer tax	600,000	230,587	38.4%	600,000	253,024	54.0%	468,710
Oil severance tax	10,000	6,648	66.5%	10,000	5,242	71.1%	7,375
TOTAL TAXES	136,750,000	63,184,445	46.2%	134,644,000	59,723,530	45.3%	131,859,363
<u>LICENSES AND PERMITS</u>							
Construction permits/other license fee/permits	2,121,000	1,026,779	48.4%	2,094,000	979,016	57.4%	1,707,046
TOTAL LICENSES/ FEES	2,121,000	1,026,779	48.4%	2,094,000	979,016	57.4%	1,707,046
<u>FINES AND FORFEITURES</u>							
General court fines	350,000	279,094	79.7%	300,000	257,091	77.5%	331,719
Traffic fines/parking citations	980,000	441,975	45.1%	1,175,000	393,859	52.3%	752,774
TOTAL FINES/FORFEITURES	1,330,000	721,069	54.2%	1,475,000	650,950	60.0%	1,084,493
<u>REV-USE OF MONEY/PROPERTY</u>							
Investment earnings	2,000,000	699,582	35.0%	2,001,570	759,148	72.0%	1,053,770
Rents, royalties and leases	1,360,000	784,818	57.7%	1,325,513	755,276	57.4%	1,315,057
TOTAL USE OF MONEY/PROPERTY	3,360,000	1,484,400	44.2%	3,327,083	1,514,424	63.9%	2,368,827
<u>REVENUES FROM OTHER AGENCIES</u>							
State motor vehicle licenses	580,000	74,069	12.8%	580,000	183,440	26.8%	684,566
State homeowners' property tax	250,000	117,415	47.0%	250,000	118,243	50.0%	236,485
Other State revenues	150,000	60,130	40.1%	150,000	46,075	46.5%	99,087
TOTAL OTHER AGENCIES	980,000	251,614	25.7%	980,000	347,758	34.1%	1,020,138
<u>CHARGES FOR CURRENT SERVICES</u>							
City Clerk	9,000	5,750	63.9%	15,500	4,706	53.6%	8,773
Community Development	1,366,000	762,880	55.8%	1,639,413	786,420	62.1%	1,266,076
Community Services	589,000	257,524	43.7%	556,000	321,409	57.3%	561,145
Non-Departmental	530,000	8,627	1.6%	7,300	1,942	10.2%	19,018
Police	536,000	288,229	53.8%	680,000	310,856	61.0%	509,581
Fire	1,880,000	192,273	10.2%	1,834,987	284,315	13.9%	2,046,713
Public Works	159,000	166,482	104.7%	136,000	144,795	100.0%	144,796
TOTAL CURRENT SERVICE CHARGES	5,069,000	1,681,765	33.2%	4,869,200	1,854,443	40.7%	4,556,102
<u>OTHER REVENUES</u>							
Other revenues	683,545	383,798	56.1%	859,484	709,468	72.3%	980,925
Contributions-Enterprises	3,612,320	2,550,509	70.6%	3,130,970	2,072,970	65.8%	3,148,970
Operating transfers in	11,584,279	5,671,063	49.0%	14,634,185	8,239,278	56.5%	14,579,873
TOTAL OTHER REVENUES	15,880,144	8,605,370	54.2%	18,624,639	11,021,716	58.9%	18,709,768
Total General Fund Revenues	\$ 165,490,144	\$ 76,955,442	46.5%	\$ 166,013,922	76,091,837	47.2%	\$ 161,305,737

**EXPENDITURES SUMMARY BY FUND - BUDGET TO ACTUAL - ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED**

Schedule B

	FY 11-12					FY 10-11				
	REVISED BUDGET	EXPEND WITHOUT ENCUMBR	% OF BUDGET TO ACTUAL W/O ENC	PROJECTED ACTUALS 6/30/12	% OF BUDGET PROJ TO ACTUAL	REVISED BUDGET	EXPEND WITHOUT ENCUMBR	% OF ACTUAL TO ACTUAL W/O ENC	ANNUAL EXPEND WITHOUT ENCUMBR	
GENERAL FUND										
BY DEPARTMENT:										
Council/Commissions	\$ 590,319	\$ 326,722	55.3%	\$ 572,114	96.9%	594,685	289,381	54.9%	526,657	
City Manager	2,789,626	1,383,510	49.6%	2,699,251	96.8%	2,749,131	1,573,952	61.0%	2,580,608	
City Attorney	2,153,122	1,142,828	53.1%	2,080,902	96.6%	2,142,685	1,133,090	57.3%	1,979,054	
City Clerk	1,148,387	570,478	49.7%	1,061,851	92.5%	868,470	497,883	58.0%	858,299	
City Treasurer	926,449	459,844	49.6%	830,000	89.6%	856,314	411,037	56.9%	721,924	
Finance	4,070,376	2,210,761	54.3%	3,805,496	93.5%	3,816,601	2,044,917	56.8%	3,601,911	
Human Resources	2,505,053	1,271,431	50.8%	2,203,815	88.0%	2,581,393	1,358,615	57.2%	2,375,288	
Civil Service	476,958	232,807	48.8%	428,090	89.8%	470,281	216,714	57.0%	379,967	
Community Development	7,247,525	4,052,687	55.9%	7,125,984	98.3%	7,788,473	4,569,043	59.0%	7,750,315	
Comm & Info Tech	4,473,442	2,448,877	54.7%	4,244,719	94.9%	4,656,856	2,587,381	58.3%	4,437,169	
General Services	4,063,246	2,098,125	51.6%	3,912,249	96.3%	3,932,321	1,963,829	54.5%	3,602,307	
Police	65,429,054	37,972,073	58.0%	64,560,325	98.7%	62,672,941	36,504,656	58.9%	61,935,107	
Fire	25,464,598	14,887,255	58.5%	25,459,953	100.0%	26,165,376	15,594,323	59.8%	26,098,587	
Public Works	12,266,057	5,919,998	48.3%	11,186,876	91.2%	12,090,188	6,299,561	59.3%	10,622,204	
Community Services	14,012,139	7,771,963	55.5%	13,471,403	96.1%	14,333,413	8,268,240	58.6%	14,110,944	
Non-Departmental (1001 only):										
Insurance	25,000	7,362	29.4%	15,970	63.9%	25,000	6,308	46.1%	13,691	
Community Promotion	325,500	142,407	43.8%	239,742	73.7%	178,622	103,305	59.4%	173,944	
Non-Departmental	3,261,941	767,395	23.5%	1,461,080	44.8%	3,690,018	1,384,163	86.5%	1,599,694	
Non-Dept. Salary Reimb.	(1,118,000)	-	0.0%	(1,118,000)	100.0%	-	-	N/A	-	
Leaseback	4,127,104	1,785,341	43.3%	4,127,104	100.0%	4,095,670	1,826,917	44.8%	4,081,915	
Community Improvements	140,000	14,131	10.1%	24,131	17.2%	140,000	18,766	65.2%	28,765	
Indirect Costs Reim.	(5,250,519)	(2,782,157)	53.0%	(4,744,731)	90.4%	(5,036,212)	(2,659,967)	58.3%	(4,562,099)	
Transfers	17,660,268	10,122,668	57.3%	17,116,053	96.9%	20,896,082	12,266,607	61.6%	19,912,587	
HIP	-	-	N/A	-	N/A	25,000	-	N/A	-	
Total General Fund	166,787,645	92,806,506	55.6%	160,764,377	96.4%	169,733,308	96,258,721	59.1%	162,828,838	
Fleet Svcs	5,894,507	3,061,500	51.9%	5,460,900	92.6%	5,966,472	3,170,977	57.2%	5,545,666	
Self - Insurance	4,510,944	2,850,820	63.2%	4,776,231	105.9%	5,120,798	2,656,852	40.9%	6,488,624	
Total Internal Service	10,405,451	5,912,320	56.8%	10,237,131	98.4%	11,087,270	5,827,829	48.4%	12,034,290	
Airport	12,196,640	7,170,172	58.8%	12,115,917	99.3%	11,640,526	6,529,987	57.8%	11,292,456	
Transit	25,192,626	13,299,998	52.8%	22,776,895	90.4%	23,528,273	12,538,496	57.1%	21,940,787	
Water	31,825,149	17,515,442	55.0%	31,452,899	98.8%	30,683,649	17,246,795	59.1%	29,203,295	
Emergency Medical Services	10,691,399	6,142,780	57.5%	10,589,040	99.0%	10,284,526	5,815,740	56.6%	10,266,146	
Sanitation	11,719,742	5,722,471	48.8%	10,345,392	88.3%	10,689,955	5,477,573	52.8%	10,375,246	
Cultural Arts	2,161,885	1,152,301	53.3%	2,060,882	95.3%	2,339,585	1,338,801	62.7%	2,136,590	
Sewer	4,612,001	2,829,324	61.3%	4,448,259	96.4%	4,426,815	2,192,833	52.2%	4,204,855	
Parks & Recreation	8,502,368	4,601,963	54.1%	7,885,478	92.7%	8,314,813	4,838,819	60.7%	7,976,055	
Total Enterprise	106,901,810	58,434,451	54.7%	101,674,762	95.1%	101,908,142	55,979,044	57.5%	97,395,430	
Section 8 Rental Assistance	6,913,561	3,801,702	55.0%	6,563,200	94.9%	6,805,520	3,921,189	59.7%	6,568,857	
Rehab Loan Program (HCD)	-	-	N/A	-	N/A	4,300	-	N/A	-	
Redevelopment Agency	13,233,986	5,278,322	39.9%	6,203,832	46.9%	17,117,470	7,201,480	50.6%	14,224,857	
Cable & Comm Relations	1,677,766	926,282	55.2%	1,645,966	98.1%	1,600,446	929,323	58.1%	1,600,250	
Cable Public Edu Gov Access	150,000	150,000	100.0%	150,000	100.0%	-	-	N/A	-	
Cable TV Public Access	418,553	221,153	52.8%	410,153	98.0%	418,456	255,596	61.1%	418,456	
Air Quality Mgmt District	189,062	93,073	49.2%	175,020	92.6%	196,582	97,544	60.0%	162,514	
Animal Control Fund	465,967	182,924	39.3%	390,282	83.8%	461,866	241,142	59.5%	405,402	
Van Pool/Ride Share	292,930	168,306	57.5%	259,930	88.7%	265,100	100,499	50.0%	201,081	
Gas Tax (Transfers Only)	1,040,000	610,480	58.7%	1,040,000	100.0%	1,040,000	578,889	55.7%	1,040,000	
Street Lighting District	3,180,201	1,361,309	42.8%	2,795,000	87.9%	3,185,477	1,295,936	49.3%	2,628,942	
Torrance Pub Fin Auth Debt Svc	4,571,180	2,105,592	46.1%	4,571,180	100.0%	4,576,230	1,952,870	42.7%	4,576,230	
Total External Funds	32,133,206	14,899,143	46.4%	24,204,563	75.3%	35,671,447	16,574,468	52.1%	31,826,589	
GRAND TOTAL	\$ 316,228,112	\$ 172,052,420	54.4%	\$ 296,880,833	93.9%	\$ 318,400,167	\$ 174,640,062	57.4%	\$ 304,085,147	

EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL - ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS
SALARIES AND BENEFITS EXPENDITURES
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

Schedule B-1

	FY 11-12					FY 10-11			
	SALARIES AND BENEFITS BUDGET	SALARIES AND BENEFITS ACTUAL	% OF BUDGET TO ACTUAL	PROJECTED ACTUALS 6/30/12	% OF BUDGET PROJ TO ACTUAL	REVISED BUDGET	SALARIES & BENEFITS ACTUAL	% OF ACTUAL TO ACTUAL	ANNUAL SALARIES AND BENEFITS ACTUAL
GENERAL FUND									
BY DEPARTMENT:									
Council/Commissions	\$ 94,100	\$ 49,031	52.1%	\$ 89,395	95.0%	\$ 230,200	\$ 125,653	57.4%	\$ 218,739
City Manager	1,929,439	1,121,405	58.1%	1,929,439	100.0%	1,905,848	1,152,485	60.7%	1,899,947
City Attorney	1,730,004	991,349	57.3%	1,718,339	99.3%	1,700,457	1,012,478	60.8%	1,666,612
City Clerk	808,444	491,364	60.8%	840,344	103.9%	648,344	393,663	58.6%	671,268
City Treasurer	719,663	384,839	53.5%	660,000	91.7%	647,863	330,794	59.7%	554,186
Finance	3,477,594	1,948,503	56.0%	3,303,714	95.0%	3,245,864	1,844,847	58.9%	3,132,801
Human Resources	1,701,044	975,677	57.4%	1,691,174	99.4%	1,839,256	1,097,470	59.3%	1,849,443
Civil Service	337,318	177,122	52.5%	309,654	91.8%	363,018	178,874	57.2%	312,811
Community Development	6,099,611	3,549,826	58.2%	6,045,611	99.1%	6,847,565	4,093,099	59.8%	6,849,112
Comm & Info Tech	3,652,645	2,016,109	55.2%	3,494,588	95.7%	3,874,153	2,240,450	59.3%	3,775,439
General Services	2,736,773	1,668,400	61.0% (A)	2,842,249	103.9%	2,721,385	1,587,157	58.3%	2,723,331
Police	60,008,278	35,042,988	58.4%	59,400,000	99.0%	57,512,272	33,750,308	59.2%	56,970,198
Fire	23,578,541	13,967,828	59.2%	23,795,278	100.9%	24,135,753	14,566,463	59.9%	24,305,378
Public Works	7,411,749	3,450,699	46.6%	6,818,000	92.0%	7,115,462	4,021,424	62.6%	6,427,960
Community Services	10,421,755	5,853,579	56.2%	10,146,203	97.4%	10,260,329	6,037,355	59.0%	10,232,559
Non-Departmental (1001 only):									
Non-Departmental	448,827	59,092	13.2%	120,000	26.7%	1,204,011	56,558	66.1%	85,621
Non-Dept. Salary Reimb.	(1,118,000)	-	0.0% (B)	(1,118,000)	100.0%	-	-	N/A	-
Community Improvements	10,000	-	0.0%	-	0.0%	10,000	-	N/A	-
HIP	-	-	N/A	-	N/A	15,000	-	N/A	-
Total General Fund	124,047,785	71,747,811	57.8%	122,085,988	98.4%	124,276,780	72,489,078	59.6%	121,675,405
Fleet Svcs	3,105,109	1,709,352	55.0%	3,030,500	97.6%	3,095,127	1,786,555	58.8%	3,040,892
Self - Insurance	765,800	408,952	53.4%	713,850	93.2%	742,000	432,094	61.3%	704,921
Total Internal Service	3,870,909	2,118,304	54.7%	3,744,350	97%	3,837,127	2,218,649	59.2%	3,745,813
Airport	1,546,759	837,207	54.1%	1,532,743	99.1%	1,712,083	859,798	54.3%	1,583,428
Transit	14,022,582	7,251,430	51.7%	12,304,050	87.7%	12,981,916	7,095,472	59.0%	12,032,672
Water	5,321,812	2,706,117	50.8%	5,160,080	97.0%	4,946,870	2,641,925	58.1%	4,551,034
Emergency Medical Services	9,739,677	5,690,588	58.4%	9,739,677	100.0%	9,366,907	5,449,386	58.4%	9,330,956
Sanitation	4,024,381	2,286,350	56.8%	3,902,697	97.0%	3,852,037	2,212,864	57.7%	3,837,468
Cultural Arts	1,487,265	860,594	57.9%	1,472,265	99.0%	1,549,664	873,048	58.0%	1,506,095
Sewer	1,824,103	1,055,902	57.9%	1,810,832	99.3%	1,758,536	993,365	58.1%	1,710,289
Parks & Recreation	5,297,297	3,059,648	57.8%	5,220,670	98.6%	5,114,997	3,168,075	61.6%	5,146,478
Total Enterprise	43,263,876	23,747,836	54.9%	41,143,014	95.1%	41,283,010	23,293,933	58.7%	39,698,420
Section 8 Rental Assistance	531,600	310,542	58.4%	531,600	100.0%	528,100	297,666	60.5%	492,111
Rehab Loan Program (HCD)	-	-	N/A	-	N/A	4,100	-	N/A	-
Redevelopment Agency	272,650	142,639	52.3%	255,510	93.7%	306,250	139,236	58.7%	237,103
Cable & Comm Relations	901,022	492,344	54.6%	891,022	98.9%	941,464	523,518	55.6%	941,558
Cable Public Edu Gov Access	-	-	N/A	-	N/A	-	-	N/A	-
Cable TV Public Access	306,311	179,675	58.7%	306,311	100.0%	309,326	180,261	58.3%	309,327
Air Quality Mgmt District	42,680	21,675	50.8%	40,000	93.7%	50,200	24,653	57.6%	42,807
Animal Control Fund	343,600	144,025	41.9%	295,360	86.0%	341,400	193,668	63.0%	307,475
Van Pool/Ride Share	72,570	46,540	64.1%	76,500	105.4%	70,741	11,005	22.2%	49,562
Street Lighting District	670,766	277,392	41.4%	500,000	74.5%	604,029	223,341	55.2%	404,957
Total External Funds	3,141,199	1,614,832	51.4%	2,896,303	92.2%	3,155,610	1,593,348	57.2%	2,784,900
GRAND TOTAL	\$ 174,323,769	\$ 99,228,783	56.9%	\$ 169,869,655	97.4%	\$ 172,552,527	\$ 99,595,008	59.3%	\$ 167,904,538

(A) Salary reimbursements for project management fees as of January 2012 are \$178,782 under budget.

(B) Represents savings from PERS prepayment due to issuance of Tax Revenue Anticipation Notes (TRAN) for fiscal year 2011-12.

Footnotes for Internal, Enterprise and External Funds are listed separately on the fund's financial statement.

EXPENDITURES DETAIL BY FUND - BUDGET TO ACTUAL-ALL FUNDS WITH ANNUALLY ADOPTED BUDGETS
MATERIALS, SERVICES AND OTHER EXPENDITURES
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

Schedule B-2

	FY 11-12						FY 10-11				
	MATERIALS, SERVICES, OTHERS						MATERIALS, SERVICES, OTHERS				
	REVISED BUDGET	ACTUAL EXP WITHOUT ENC	ACTUAL REIMB	ACTUAL EXPENSE NET OF REIMB	% OF BUDGET TO ACTUAL W/O ENC	PROJECTED ACTUALS 6/30/12	% OF BUDGET PROJ TO ACTUAL	REVISED BUDGET	EXPENDITURES WITHOUT ENCUMBRANCES	% OF ACTUAL To ACTUAL W/O ENC	ANNUAL EXPEND WITHOUT ENCUMBR
GENERAL FUND											
BY DEPARTMENT:											
Council/Commissions	\$ 496,219	\$ 277,691		\$ 277,691	56.0%	482,719	97.3%	\$ 364,485	\$ 163,728	53.2%	\$ 307,918
City Manager	860,187	262,105		262,105	30.5%	769,812	89.5%	843,283	421,467	61.9%	680,661
City Attorney	423,118	151,479		151,479	35.8%	362,563	85.7%	442,228	120,612	38.6%	312,442
City Clerk	339,943	100,366	(21,252)	79,114	23.3%	221,507	65.2%	220,126	104,220	55.7%	187,031
City Treasurer	206,786	75,005		75,005	36.3%	170,000	82.2%	208,451	80,243	47.8%	167,738
Finance	592,782	262,258	-	262,258	44.2%	501,782	84.6%	570,737	200,070	42.6%	469,110
Human Resources	804,009	300,579	(4,825)	295,754	36.8%	512,641	63.8%	742,137	261,145	49.7%	525,845
Civil Service	139,640	55,685		55,685	39.9%	118,436	84.8%	107,263	37,840	56.3%	67,156
Community Development	1,147,914	502,861		502,861	43.8%	1,080,373	94.1%	940,908	475,944	52.8%	901,203
Comm & Info Tech	820,797	952,140	(519,372)	432,768	52.7%	750,131	91.4%	782,703	346,931	52.4%	661,730
General Services	1,326,473	1,037,885	(608,160)	429,725	32.4%	1,070,000	80.7%	1,210,936	376,672	42.9%	878,976
Police	5,420,776	2,936,085	(7,000)	2,929,085	54.0%	5,160,325	95.2%	5,160,669	2,754,348	55.5%	4,964,909
Fire	1,886,057	1,083,581	(164,154)	919,427	48.7%	1,664,675	88.3%	2,029,623	1,027,860	57.3%	1,793,209
Public Works	4,854,308	2,697,863	(228,564)	2,469,299	50.9%	4,368,876	90.0%	4,974,726	2,278,137	54.3%	4,194,244
Community Services	3,590,384	2,031,140	(112,756)	1,918,384	53.4%	3,325,200	92.6%	4,073,084	2,230,885	57.5%	3,878,385
Non-Departmental (1001 only):											
Insurance	25,000	7,362	-	7,362	29.4%	15,970	63.9%	25,000	6,308	46.1%	13,691
Community Promotion	325,500	142,407	-	142,407	43.8%	239,742	73.7%	178,622	103,305	59.4%	173,944
Non-Departmental	2,813,114	713,024	(4,721)	708,303	25.2%	1,341,080	47.7%	2,486,007	1,327,605	87.7%	1,514,073
Leaseback	4,127,104	1,785,341		1,785,341	43.3%	4,127,104	100.0%	4,095,670	1,826,917	44.8%	4,081,915
Community Improvements	130,000	14,131		14,131	10.9%	24,131	18.6%	130,000	18,766	65.2%	28,765
Indirect Costs Reim.	(5,250,519)	(2,782,157)		(2,782,157)	53.0%	(4,744,731)	90.4%	(5,036,212)	(2,659,967)	58.3%	(4,562,099)
Transfers	17,660,268	10,122,668	-	10,122,668	57.3%	17,116,053	96.9%	20,896,082	12,266,607	61.6%	19,912,587
HIP	-	-	-	-	N/A	-	N/A	10,000	-	N/A	-
Total General Fund	42,739,860	22,729,499	(1,670,804)	21,058,695	49.3%	38,678,389	90.5%	\$45,456,528	23,769,643	57.8%	41,153,433
Fleet Svcs	2,789,398	1,352,148	-	1,352,148	48.5%	2,430,400	87.1%	2,871,345	1,384,422	55.3%	2,504,774
Self - Insurance	3,745,144	2,441,868	-	2,441,868	65.2%	4,062,381	108.5%	4,378,798	2,224,758	38.5%	5,783,703
Total Internal Service	6,534,542	3,794,016	-	3,794,016	58.1%	6,492,781	99.4%	7,250,143	3,609,180	43.5%	8,288,477
Airport	10,649,881	6,332,965	-	6,332,965	59.5%	10,583,174	99.4%	9,928,443	5,670,189	58.4%	9,709,028
Transit	11,170,044	6,048,568	-	6,048,568	54.1%	10,472,845	93.8%	10,546,357	5,443,024	54.9%	9,908,115
Water	26,503,337	14,811,810	(2,485)	14,809,325	55.9%	26,292,819	99.2%	25,736,779	14,604,870	59.2%	24,652,261
Emergency Medical Services	951,722	452,192	-	452,192	47.5%	849,363	89.2%	917,619	366,354	39.2%	935,190
Sanitation	7,695,361	3,454,527	(18,406)	3,436,121	44.7%	6,442,695	83.7%	6,837,918	3,264,709	49.9%	6,537,778
Cultural Arts	674,620	291,707	-	291,707	43.2%	588,617	87.3%	789,921	465,753	73.9%	630,495
Sewer	2,787,898	1,773,422	-	1,773,422	63.6%	2,637,427	94.6%	2,668,279	1,199,468	48.1%	2,494,566
Parks & Recreation	3,205,071	1,542,315	-	1,542,315	48.1%	2,664,808	83.1%	3,199,816	1,670,744	59.0%	2,829,577
Total Enterprise	63,637,934	34,707,506	(20,891)	34,686,615	54.5%	60,531,748	95.1%	60,625,132	32,685,111	56.6%	57,697,010
Section 8 Rental Assistance	6,381,961	3,491,160	-	3,491,160	54.7%	6,031,600	94.5%	6,277,420	3,623,523	59.6%	6,076,746
Rehab Loan Program (HCD)	-	-	-	-	N/A	-	N/A	200	-	N/A	-
Redevelopment Agency	12,961,336	5,135,683	-	5,135,683	39.6%	5,948,322	45.9%	16,811,220	7,062,244	50.5%	13,987,754
Cable & Comm Relations	776,744	446,888	(12,950)	433,938	55.9%	754,944	97.2%	658,982	405,805	61.6%	658,692
Cable Public Edu Gov Access	150,000	150,000	-	150,000	100.0%	150,000	100.0%	-	-	N/A	-
Cable TV Public Access	112,242	41,478	-	41,478	37.0%	103,842	92.5%	109,130	75,335	69.0%	109,129
Air Quality Mgmt District	146,382	71,398	-	71,398	48.8%	135,020	92.2%	146,382	72,891	60.9%	119,707
Animal Control Fund	122,367	38,899	-	38,899	31.8%	94,922	77.6%	120,466	47,474	48.5%	97,927
Van Pool/Ride Share	220,360	121,766	-	121,766	55.3%	183,430	83.2%	194,359	89,494	59.1%	151,519
Gas Tax (Transfers Only)	1,040,000	610,480	-	610,480	58.7%	1,040,000	100.0%	1,040,000	578,889	55.7%	1,040,000
Street Lighting District	2,509,435	1,083,917	-	1,083,917	43.2%	2,295,000	91.5%	2,581,448	1,072,595	48.2%	2,223,985
Torrance Pub Fin Auth Debt Svc	4,571,180	2,105,592	-	2,105,592	46.1%	4,571,180	100.0%	4,576,230	1,952,870	42.7%	4,576,230
Total External Funds	28,992,007	13,297,261	(12,950)	13,284,311	45.8%	21,308,260	73.5%	32,515,837	14,981,120	51.6%	29,041,689
GRAND TOTAL	\$ 141,904,343	\$ 74,528,282	\$ (1,704,645)	\$ 72,823,637	51.3%	\$ 127,011,178	89.5%	\$ 145,847,640	\$ 75,045,054	55.1%	\$ 136,180,609

Footnotes for Internal, Enterprise and External Funds are listed separately on the fund's financial statement.

Schedule B-3

EXPENDITURES SUMMARY - BUDGET TO ACTUAL - GENERAL FUND (1001) BY CHARACTER
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Revised Budget FY 11-12	EXPENDITURES WITHOUT ENCUMBRANCES	% OF ANNUAL BUDGET TO ACTUAL WITHOUT ENC.	ENCUMB.	% OF ANNUAL BUDGET TO ACTUAL WITH ENC.
Salaries and Benefits	\$ 135,189,680	\$ 76,689,314	56.7%	\$ -	56.7%
Salaries and Benefits Reimb	(11,141,895)	(4,941,503)	44.4%	-	44.4%
Subtotal Salaries and Benefits	124,047,785	71,747,811	57.8%	-	57.8%
Materials and Supplies	11,695,277	5,584,773	47.8%	2,268,734	67.2%
Senior Mobile Home Subsidy	88,700	34,500	38.9%	-	38.9%
Prof Services/Contracts/Utilities	8,626,172	3,747,057	43.4%	1,036,130	55.4%
Travel, Training & Membership Dues	1,001,608	378,249	37.8%	106,919	48.4%
Depreciation and Amortization	2,280	2,280	100.0%	-	100.0%
Liabilities and Other Insurance	1,679,386	815,635	48.6%	67,313	52.6%
Interdepartmental Charges	3,918,900	2,286,123	58.3%	-	58.3%
Debt Service	5,319,726	1,841,130	34.6%	-	34.6%
Capital Acquisition	296,053	48,563	16.4%	8,452	19.3%
Reimb from Other Funds	(3,169,350)	(1,749,716)	55.2%	-	55.2%
Other Expenditures	109,440	64,344	58.8%	-	58.8%
Reimb - Indirect Costs	(5,250,519)	(2,782,157)	53.0%	-	53.0%
Operating Transfers Out	18,422,187	10,787,914	58.6%	-	58.6%
Subtotal Materials, Supplies, & Services	42,739,860	21,058,695	49.3%	3,487,548	57.4%
Total General Fund - 1001	166,787,645	92,806,506	55.6%	3,487,548	57.7%

Schedule B-4

ADOPTED BUDGET AND AMENDMENTS BY FUND FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	ANNUAL ADOPTED BUDGET FY 11-12	PRIOR YEAR ENCUMBRANCE BUDGET	ANNUAL BUDGET AMENDMENTS FY 11-12	ANNUAL AMENDED BUDGET FY 11-12
GENERAL FUND				
BY DEPARTMENT:				
Council/Commissions	\$587,319	\$ -	\$ 3,000	\$ 590,319
City Manager	2,581,958	16,517	191,151	2,789,626
City Attorney	2,153,122	-	-	2,153,122
City Clerk	1,016,320	19,383	112,684	1,148,387
City Treasurer	926,449	-	-	926,449
Finance	4,020,376	50,000	-	4,070,376
Human Resources	2,500,053	5,000	-	2,505,053
Civil Service	476,958	-	-	476,958
Community Development	7,146,630	3,205	97,690	7,247,525
Comm & Info Tech	4,437,684	-	35,758	4,473,442
General Services	4,051,306	11,940	-	4,063,246
Police	65,371,391	34,163	23,500	65,429,054
Fire	25,462,031	1,557	1,010	25,464,598
Public Works	11,743,557	124,240	398,260 (A)	12,266,057
Community Services	14,047,029	4,941	(39,831)	14,012,139
Non-Departmental (1001 only):				
Insurance	25,000	-	-	25,000
Community Promotion	319,622	-	5,878	325,500
Non-Departmental	3,077,423	-	184,518 (B)	3,261,941
Non-Dept. Salary Reimb.	(1,118,000)	-	-	(1,118,000)
Leaseback	4,127,104	-	-	4,127,104
Community Improvements	140,000	-	-	140,000
Indirect Costs Reim.	(5,228,875)	-	(21,644)	(5,250,519)
Transfers	17,527,822	-	132,446	17,660,268
Total General Fund	165,392,279	270,946	1,124,420	166,787,645
Fleet Svcs				
Self - Insurance	5,890,396	135,525	(131,414)	5,894,507
	3,995,874	90,070	425,000 (C)	4,510,944
Total Internal Service	9,886,270	225,595	293,586	10,405,451
Enterprise				
Airport	11,657,158	2,369	537,113 (D)	12,196,640
Transit	25,051,739	887	140,000	25,192,626
Water	31,535,731	34,970	254,448 (E)	31,825,149
Emergency Medical Services	10,685,199	-	6,200	10,691,399
Sanitation	10,653,098	254,033	812,611 (F)	11,719,742
Cultural Arts	2,161,885	-	-	2,161,885
Sewer	4,037,412	1,753	572,836 (G)	4,612,001
Parks & Recreation	8,502,368	-	-	8,502,368
Total Enterprise	104,284,590	294,012	2,323,208	106,901,810
Section 8 Rental Assistance				
Redevelopment Agency	6,913,561	-	-	6,913,561
Cable & Comm Relations	13,280,144	-	(46,158)	13,233,986
Cable Public Edu Gov Access	1,641,796	1,539	34,431	1,677,766
Cable TV Public Access	-	-	150,000	150,000
Air Quality Mgmt District	418,271	770	(488)	418,553
Animal Control Fund	189,062	-	-	189,062
Van Pool/Ride Share	465,967	-	-	465,967
Gas Tax (Transfers Only)	261,930	-	31,000	292,930
Street Lighting District	-	-	1,040,000 (H)	1,040,000
Torr Public Financing Auth Debt Svc	3,180,201	-	-	3,180,201
	4,571,180	-	-	4,571,180
Total External Funds	30,922,112	2,309	1,208,785	32,133,206
GRAND TOTAL	\$ 310,485,251	\$ 792,862	\$ 4,949,999	\$ 316,228,112

- (A) Council approved appropriation of Prop C funds for arterial street maintenance.
- (B) Includes almost \$400,000 for Tax Revenue Anticipation Notes interest and other costs partially offset by Council approved item 13A dated 1/24/12 for City Hall refuse hauling fees.
- (C) Legal fees approved per Council item 8E dated 6/21/11, Council item 8H dated 12/20/11 and Council item 8G dated 1/10/12.
- (D) Council approved appropriations for Meadowpark Parking Lot project, Airport pavement maintenance, General Aviation Center flooring, hangar roofing and purchase of electrical equipment and facility maintenance.
- (E) Council approved appropriations for the North Torrance well field project and purchase of a front loader with a backhoe and boom, a trailer, water valve operators and water jet systems.
- (F) Represents adjustment related to Council item 13A dated 1/24/12 regarding Sanitation rates and the reorganization of the Sanitation and Sewer Funds. Also included is \$67,000 for Council approved purchase of a GPS vehicle route tracking system.
- (G) Council approved appropriations for the Machado Lake watershed best management practices, the purchase of a truck fueled with CNG, the Madrona March restoration and the purchase of a trailer mounted pump.
- (H) Adopted budget for FY 2011/12.

Schedule C

INTERNAL SERVICE & ENTERPRISE FUND REVENUE SUMMARY-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY 11-12						FY 10-11				
	Revised Budget	Budgeted Use of Fund Bal	Total Budget	Year-To-Date Actual	% of Budget to Actual	Projected 06/30/2012	% of Budget to Proj Actual	Revised Budget	Year-To-Date Actual	% of Actual to Actual	Annual Actual
Fleet Services	\$ 5,968,483	\$ -	\$ 5,968,483	\$ 3,773,874	63.2%	\$ 6,564,671	110.0%	\$ 6,331,625	\$ 3,756,480	58.0%	\$ 6,476,351
Self-Insurance	3,556,277	-	3,556,277	2,110,451	59.3%	3,637,793	102.3%	3,556,277	2,220,848	59.6%	3,724,171
Total Internal Service	9,524,760	-	9,524,760	5,884,325	61.8%	10,202,464	107.1%	9,887,902	5,977,328	58.6%	10,200,522
Airport	11,405,100	791,540	12,196,640	6,962,248	57.1%	12,115,917	99.3%	11,640,526	6,207,126	55.5%	11,182,970
Transit	23,121,761	-	23,121,761	11,451,510	49.5%	22,804,023	98.6%	21,252,432	11,731,241	54.2%	21,646,914
Water	32,976,055	-	32,976,055	20,105,911	61.0%	33,783,661	102.4%	30,683,649	17,168,509	56.7%	30,295,271
Emergency Medical Svcs	10,685,199	6,200	10,691,399	6,142,780	57.5%	10,589,040	99.0%	10,284,527	5,815,740	56.6%	10,266,145
Sanitation	10,427,638	-	10,427,638	6,197,999	59.4%	10,576,327	101.4%	10,689,955	5,477,573	52.8%	10,375,246
Cultural Arts	1,984,117	177,768	2,161,885	1,073,127	49.6%	1,952,715	90.3%	2,339,585	1,259,265	58.9%	2,136,590
Sewer	2,952,500	1,659,501	4,612,001	2,829,324	61.3%	4,448,259	96.4%	4,426,815	2,192,833	54.9%	3,996,186
Parks & Recreation	9,199,304	-	9,199,304	5,310,051	57.7%	8,543,137	92.9%	8,095,784	4,684,359	62.9%	7,447,316
Total Enterprise	\$ 102,751,674	\$ 2,635,009	\$ 105,386,683	\$ 60,072,950	57.0%	\$ 104,813,079	99.5%	\$ 99,413,273	\$ 54,536,646	56.0%	\$ 97,346,638

NOTE: BUDGET TO ACTUAL VARIANCES CAN BE FOUND ON SUBSEQUENT FINANCIAL STATEMENTS.

Schedule D

FLEET SERVICES - COMBINED

BALANCE SHEET JANUARY 31, 2012

	<i>Operations and Maintenance January 31, 2012</i>	<i>Vehicle Replacement January 31, 2012</i>	<i>Shop Equipment Replacement January 31, 2012</i>	<i>Total</i>
ASSETS				
Pooled cash and investments	\$ (1,221,413)	\$ 15,495,062	\$ 144,811	\$ 14,418,460
Accrued interest receivable	-	49,052	-	49,052
Inventories	1,297,761	-	-	1,297,761
<i>Total Current Assets</i>	76,348	15,544,114	144,811	15,765,273
Property, plant and equipment, net	-	8,729,742	7,088	8,736,830
Total Assets	\$ 76,348	\$ 24,273,856	\$ 151,899	\$ 24,502,103
LIABILITIES AND FUND EQUITY				
<i>Current Liabilities</i>				
Accounts payable	\$ 18,243	\$ -	\$ -	\$ 18,243
Accrued salaries and benefits	398,956	-	-	398,956
<i>Total Liabilities</i>	417,199	-	-	417,199
<i>Fund Equity (Deficit)</i>				
Retained earnings - reserved	-	24,273,856	-	24,273,856
Retained earnings (deficit) - unreserved	(340,851)	-	151,899	(188,952)
Total Liabilities and Fund Equity (Deficit)	\$ 76,348	\$ 24,273,856	\$ 151,899	\$ 24,502,103

Schedule D-1

FLEET SERVICES - COMBINED FUNDS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY 2012 Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Rental Income	\$ 7,020	\$ 362 (A)	5.2%	\$ 1,500	7,020	\$ 1,535	60.0%	\$ 2,560
Charges for services	5,039,328	3,239,001 (B)	64.3%	5,650,500	5,123,328	3,185,061	57.1%	5,577,972
Total Operating Revenues	5,046,348	3,239,363	64.2%	5,652,000	5,130,348	3,186,596	57.1%	5,580,532
OPERATING EXPENSES:								
Salaries and employee benefits	3,105,109	1,709,352 (C)	55.0%	3,030,500	3,095,127	1,786,555	58.8%	3,040,892
Materials and supplies	348,888	275,549 (D)	79.0%	357,650	415,488	209,149	53.2%	393,247
Other Professional Services	62,016	43,644 (E)	70.4%	60,000	69,516	50,011	92.3%	54,202
Depreciation	2,200,000	941,875 (H)	42.8%	1,850,000	2,200,000	1,026,635	54.0%	1,901,711
Interdepartmental charges	114,497	66,787	58.3%	114,497	113,520	66,206	58.3%	113,520
Liability and claims	23,943	4,410 (F)	18.4%	18,500	23,943	4,410	58.4%	7,555
Other	20,300	5,731 (G)	28.2%	10,000	20,300	2,497	41.9%	5,961
Total Operating Expenses	5,874,753	3,047,348	51.9%	5,441,147	5,937,894	3,145,463	57.0%	5,517,088
OPERATING INCOME (LOSS)	(828,405)	192,015	123.2%	210,853	(807,546)	41,133	64.8%	63,444
NON-OPERATING REVENUES (LOSS)								
Interest income - Operations	254,000	139,996	55.1%	245,000	450,000	140,485	81.5%	172,424
Gain from sale of fixed assets	80,464	- (I)	0.0%	80,000	80,464	30,800	58.6%	52,582
Miscellaneous revenues	-	-	N/A	-	-	16,000	N/A	-
Total Non-Operating Revenues (Loss)	334,464	139,996	41.9%	325,000	530,464	187,285	83.2%	225,006
Income (Loss) before transfers	(493,941)	332,011	167.2%	535,853	(277,082)	228,418	79.2%	288,450
TRANSFERS IN	587,671	394,515 (J)	67.1%	587,671	670,813	382,598	57.0%	670,813
TRANSFERS OUT	(19,753)	(14,151) (K)	71.6%	(19,753)	(28,578)	(25,514)	89.3%	(28,578)
NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS	73,977	712,375	963.0%	1,103,771	365,153	585,502	62.9%	930,685
VEHICLE ACQUISITIONS	(3,796,854)	(695,325) (L)	18.3%	(3,796,854)	(1,494,969)	(287,344)	25.5%	(1,128,275)
ADD: DEPRECIATION	2,200,000	941,875	42.8%	1,850,000	1,850,000	1,026,635	54.0%	1,901,711
CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION	\$ (1,522,877)	\$ 958,925	163.0%	\$ (843,083)	720,184	1,324,793	77.7%	1,704,121
FUEL AND PARTS INVENTORY								
Parts Inventory Purchases	\$ 1,170,000	\$ 656,916 (M)	56.1%	\$ 1,300,000	1,189,621	\$ 588,984	44.3%	\$ 1,329,045
Fuel Inventory Purchases	1,600,000	750,118 (N)	46.9%	1,419,800	1,600,000	612,979	47.1%	1,302,275
Total Parts & Fuel Inventory Purchases	\$ 2,770,000	\$ 1,407,034	50.8%	\$ 2,719,800	2,789,621	\$ 1,201,963	45.7%	\$ 2,631,320

- (A) Rental income revenues are lower due to a less than anticipated amount of fleet pool usage.
- (B) Charges for services include vehicle replacement charges to various departments which are higher due to higher priced vehicle acquisitions.
- (C) Salary charges are at 55% of budget due to these vacancies: 3 Custodian, 1 Facility Services Supervisor, 2 Senior Mechanic and 1 Fleet Services Manager.
- (D) Materials and supplies are higher than expected due to high volume of vehicle repairs and warehouse materials usage.
- (E) Includes September 2011 payment of \$35,500 to AssetWorks for Fleet Focus server hosting and maintenance support for 8/1/11-7/31/12.
- (F) There were no claims for liability below \$50,000 as of January 2012. The actual amounts are for liability admin expenses and claims above \$50,000.
- (G) Out-of-town travel and local meetings are expended on as needed basis.
- (H) Depreciation is underspent as of January 2012 as more vehicles are fully depreciated.
- (I) Received \$69,680 in February 2012 for sale of 20 vehicles/equipments.
- (J) Transfers of \$274,620 from General Fund to fund operations and \$119,895 from Sewer Fund to partially fund the purchase of a Vactor truck.
- (K) Transferred 100% of budget to Telephone, Data Communication, and Radio Communication Replacement fund. Monthly transfers to PC Replacement fund is at 58% of budget.
- (L) Budget percent is 68.7% if vehicle acquisition encumbrance of \$1,913,126 is included in the actuals total.
- (M) Vehicle parts are purchased on as needed basis.
- (N) Fuel deliveries in FY 2011-12 have decreased due to the switch to compressed natural gas (cng) for the newer heavy-duty vehicles.

Schedule D-2

FLEET SERVICES FUND - COMBINED

***STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012***

Cash flows from operating activities

Operating income (loss)	\$192,015
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation and amortization	941,875
Decrease (Increase) in accounts receivable	12,197
Decrease (Increase) in inventory	(122,938)
(Decrease) Increase in accounts payable	(320,493)
	<hr/>

Net cash provided by operating activities **\$702,656**

Cash flows from capital and related financing activities

Capital expenditures	<hr/> (695,325)
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Net cash used by capital and related financing activities **(695,325)**

Cash flows from noncapital financing activities

Operating transfers in	394,515
Operating transfers out	<hr/> (14,151)

Net cash provided by noncapital financing activities **380,364**

Cash flows from investing activities

Interest on investments	<hr/> 139,996
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Net cash provided by investing activities **139,996**

Net change in cash **527,691**

Cash, and cash equivalents, July 1, 2011 **13,890,769**

Cash and cash equivalents, January 31, 2012 **\$14,418,460**

Schedule D-3

FLEET - OPERATIONS AND MAINTENANCE

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY 2012 Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Rental Income	\$ 7,020	\$ 362 (A)	5.2%	\$ 1,500	\$ 7,020	\$ 1,535	60.0%	2,560
Charges for services	2,634,800	1,573,510	59.7%	2,850,500	2,718,800	1,575,596	56.1%	2,806,784
Total Operating Revenues	2,641,820	1,573,872	59.6%	2,852,000	2,725,820	1,577,131	56.1%	2,809,344
OPERATING EXPENSES:								
Salaries and employee benefits	3,105,109	1,709,352 (B)	55.0%	3,030,500	3,095,127	1,786,555	58.8%	3,040,892
Materials and supplies	348,888	275,549 (C)	79.0%	357,650	415,488	209,149	53.2%	393,247
Professional Services	62,016	43,644 (D)	70.4%	60,000	69,516	50,011	92.3%	54,202
Interdepartmental charges	114,497	66,787	58.3%	114,497	113,520	66,206	58.3%	113,520
Liability and claims	23,943	4,410 (E)	18.4%	18,500	23,943	4,410	58.4%	7,555
Other	20,300	5,731 (F)	28.2%	10,000	20,300	2,497	41.9%	5,961
Total Operating Expenses	3,674,753	2,105,473	57.3%	3,591,147	3,737,894	2,118,828	58.6%	3,615,377
Income (Loss) before transfers	(1,032,933)	(531,601)	51.5%	(739,147)	(1,012,074)	(541,697)	53.5%	(806,033)
TRANSFERS IN	467,776	274,620	58.7%	467,776	567,726	334,391	58.9%	567,726
TRANSFERS OUT	(19,753)	(14,151) (G)	71.6%	(19,753)	(28,578)	(25,514)	89.3%	(28,578)
NET INCOME (LOSS) AFTER TRANSFERS	\$ (584,910)	\$ (271,132)	46.4%	\$ (291,124)	\$ (472,926)	\$ (232,820)	87.2%	\$ (266,885)
FUEL AND PARTS INVENTORY								
Parts Inventory Purchases	\$ 1,170,000	\$ 656,916 (H)	56.1%	\$ 1,300,000	\$ 1,189,621	\$ 588,984	44.3%	1,329,045
Fuel Inventory Purchases	1,600,000	750,118 (I)	46.9%	1,419,800	1,600,000	612,979	47.1%	1,302,275
Total Parts & Fuel Inventory Purchases	\$ 2,770,000	\$ 1,407,034	50.8%	\$ 2,719,800	\$ 2,789,621	\$ 1,201,963	45.7%	\$ 2,631,320

(A) Rental income revenues are lower due to a less than anticipated amount of fleet pool usage.

(B) Salary charges are at 55% of budget due to these vacancies: 3 Custodian, 1 Facility Services Supervisor, 2 Senior Mechanic and 1 Fleet Services Manager.

(C) Materials and supplies are higher than expected due to high volume of vehicle repairs and warehouse materials usage.

(D) Includes September 2011 payment of \$35,500 to AssetWorks for Fleet Focus server hosting and maintenance support for 8/1/11-7/31/12.

(E) There were no claims for liability below \$50,000 as of January 2012. The actual amounts are for liability admin expenses and claims above \$50,000.

(F) Out-of-town travel and local meetings are expended on as needed basis.

(G) Transferred 100% of budget to Telephone, Data Communication, and Radio Communication Replacement fund. Monthly transfers to PC Replacement and Sanitation Operations funds are at 58% of budget.

(H) Vehicle parts are purchased on as needed basis.

(I) Fuel deliveries in FY 2011-12 have decreased due to the switch to compressed natural gas (cng) for the newer heavy-duty vehicles.

FLEET - OPERATIONS AND MAINTENANCE***STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012******Cash flows from operating activities***

Operating loss	(\$531,601)
Adjustments to reconcile operating loss to net cash used by operating activities:	
Decrease (increase) in accounts receivable	12,197
Decrease (Increase) in inventory	(122,938)
(Decrease) increase in accounts payable	<u>(253,508)</u>

Net cash used by operating activities (\$895,850)

Cash flows from noncapital financing activities

Operating transfers in	274,620
Operating transfers out	<u>(14,151)</u>

Net cash provided by noncapital financing activities 260,469

Net change in cash (635,381)

Cash, and cash equivalents, July 1, 2011 (586,032)

Cash and cash equivalents, January 31, 2012 (\$1,221,413)

Schedule D-5

FLEET - VEHICLE REPLACEMENT FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY 2012 Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ 2,404,528	\$ 1,665,491 (A)	69.3%	\$ 2,800,000	\$ 2,404,528	\$ 1,609,465	58.1%	\$ 2,771,188
Total Operating Revenues	2,404,528	1,665,491	69.3%	2,800,000	2,404,528	1,609,465	58.1%	2,771,188
OPERATING EXPENSES:								
Depreciation	2,200,000	941,875 (B)	42.8%	1,850,000	2,200,000	1,026,635	54.0%	1,901,711
Total Operating Expenses	2,200,000	941,875	42.8%	1,850,000	2,200,000	1,026,635	54.0%	1,901,711
OPERATING INCOME (LOSS)	204,528	723,616	353.8%	950,000	204,528	582,830	285.0%	869,477
NON-OPERATING REVENUES (LOSS)								
Interest income - Operations	254,000	139,996	55.1%	245,000	450,000	140,485	81.5%	172,424
Gain from sale of fixed assets	80,464	- (C)	0.0%	80,000	80,464	30,800	58.6%	52,582
Miscellaneous Revenues	-	-	N/A	-	-	16,000	N/A	-
Total Non-Operating Revenues (Loss)	334,464	139,996	41.9%	325,000	530,464	187,285	83.2%	225,006
Income (Loss) before transfers	538,992	863,612	160.2%	1,275,000	734,992	770,115	70.4%	1,094,483
TRANSFERS IN	119,895	119,895	100.0%	119,895	103,087	48,207	46.8%	103,087
NET INCOME (LOSS) BEFORE VEHICLE ACQUISITIONS	658,887	983,507	149.3%	1,394,895	838,079	818,322	68.3%	1,197,570
VEHICLE ACQUISITIONS	(3,796,854)	(695,325) (D)	18.3%	(3,796,854)	(1,494,969)	(287,344)	25.5%	(1,128,275)
ADD: DEPRECIATION	2,200,000	941,875	42.8%	1,850,000	2,200,000	1,026,635	54.0%	1,901,711
CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION	\$ (937,967)	\$ 1,230,057	231.1%	\$ (551,959)	\$ 1,543,110	\$ 1,557,613	79.0%	\$ 1,971,006

(A) Charges for services represent vehicle replacement charges to various departments which are higher due to higher priced vehicle acquisitions.

(B) Depreciation is underspent as of January 2012 as more vehicles are fully depreciated.

(C) Received \$69,680 in February 2012 for sale of 20 vehicles/equipments.

(D) Budget percent is 68.7% if vehicle acquisition encumbrance of \$1,913,126 is included in the actuals total.

FLEET - VEHICLE REPLACEMENT FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012

Cash flows from operating activities

Operating income	\$723,616
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	941,875
Decrease in accounts payable	<u>(66,985)</u>

Net cash provided by operating activities \$1,598,506

Cash flows from capital and related financing activities

Capital expenditures	<u>(695,325)</u>
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Net cash used by capital and related financing activities (695,325)

Cash flows from noncapital financing activities

Operating transfers in	<u>119,895</u>
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Net cash provided by noncapital financing activities 119,895

Cash flows from investing activities

Interest on investments	<u>139,996</u>
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Net cash provided by investing activities 139,996

Net change in cash 1,163,072

Cash, and cash equivalents, July 1, 2011 14,331,990

Cash and cash equivalents, January 31, 2012 \$15,495,062

Schedule D-7

FLEET - SHOP EQUIPMENT REPLACEMENT FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY 2012 Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	2011 Year-To-Date Actual Without Enc.	2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ -	\$ -	N/A	\$ -	-	\$ -	N/A	\$ -
Total Operating Revenues	-	-	N/A	-	-	-	N/A	-
OPERATING EXPENSES:								
Depreciation	-	-	N/A	-	-	-	N/A	-
Total Operating Expenses	-	-	N/A	-	-	-	N/A	-
OPERATING INCOME (LOSS)	-	-	N/A	-	-	-	N/A	-
NET INCOME (LOSS) BEFORE SHOP EQUIPMENT ACQUISITIONS	-	-	N/A	-	-	-	N/A	-
SHOP EQUIPMENT ACQUISITIONS	-	-	N/A	-	-	-	N/A	-
ADD: DEPRECIATION	-	-	N/A	-	-	-	N/A	-
CHANGE IN CASH AVAILABLE AFTER VEHICLE ACQUISITIONS AND ADDITION OF DEPRECIATION	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	N/A	\$ -

FLEET - SHOP EQUIPMENT REPLACEMENT FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012****Cash flows from operating activities**

Operating income	\$	-
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization		-
Decrease in accounts receivable		-
(Decrease) in accounts payable		-
(Decrease) in accrued liabilities		-
Increase in deferred revenue		-
		<hr/>
Net cash provided by operating activities	\$	-

Cash flows from capital and related financing activities

Capital project cash transfer	-
Capital expenditures	-
	<hr/>
Net cash used by capital and related financing activities	-

Cash flows from noncapital financing activities

Operating transfers in	-
Operating transfers out	-
	<hr/>
Net cash provided by noncapital financing activities	-

Cash flows from investing activities

Interest on investments	-
(Increase) in interest receivable	-
	<hr/>
Net cash provided by investing activities	<hr/>

Net change in cash	-
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Cash, and cash equivalents, July 1, 2011	<hr/> 144,811
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Cash and cash equivalents, January 31, 2012	<hr/> <hr/> \$ 144,811
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SELF-INSURANCE FUND**BALANCE SHEET
JANUARY 31, 2012**

ASSETS		January 31, 2012
Current Assets		
Pooled Cash and Investments	\$	7,539,855
Restricted cash		4,020
Total Current Assets		7,543,875
Total Assets		\$ 7,543,875
LIABILITIES AND FUND EQUITY		
Liabilities		
Accounts Payable	\$	5,460
Accrued-Workers' Compensation Claims-Long Term		21,601,994
Accrued-Liability Claims-Long Term		4,801,753
Total Liabilities		26,409,207
Fund Equity (Deficit)		
Retained Earning (Deficit)		(18,865,332)
Total Fund Equity (Deficit)		(18,865,332)
Total Liabilities and Fund Equity (Deficit)		\$ 7,543,875

Schedule E-1

SELF-INSURANCE FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	Projected Actual 06/30/2012	FY2011 Annual Budget	FY2011 Year-To-Date Actual Without Enc.	FY2011 Actual to Actual % Without Enc.	FY2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ 2,392,777	\$ 1,427,477 (A)	59.7%	\$ 2,474,293	\$ 2,392,777	\$ 1,535,546	60.0%	\$ 2,560,671
Total Operating Revenues	2,392,777	1,427,477	59.7%	2,474,293	2,392,777	1,535,546	60.0%	2,560,671
OPERATING EXPENSES								
Salaries and employee benefits	765,800	408,952 (B)	53.4%	713,850	742,000	432,094	61.3%	704,921
Materials and supplies	20,995	14,676 (C)	69.9%	20,995	20,995	6,822	49.8%	13,692
Other Professional Services	165,849	81,198 (D)	49.0%	142,743	167,463	72,964	65.1%	112,048
Insurance and claims	3,527,810	2,330,086 (E)	66.0%	3,527,810	4,160,026	2,129,035	37.8%	5,631,078 (H)
Interdepartmental charges	19,617	11,452	58.4%	19,617	18,189	10,619	58.4%	18,189
Other	6,800	1,800 (F)	26.5%	4,120	6,800	1,934	57.4%	3,371
Total Operating Expenses	4,506,871	2,848,164	63.2%	4,429,135	5,115,473	2,653,468	40.9%	6,483,299
OPERATING INCOME(LOSS)	(2,114,094)	(1,420,687)	67.2%	(1,954,842)	(2,722,696)	(1,117,922)	28.5%	(3,922,628)
TRANSFERS IN	1,163,500	682,974	58.7%	1,163,500	1,163,500	685,302	58.9%	1,163,500
TRANSFERS OUT	(4,073)	(2,656) (G)	65.2%	(4,073)	(5,325)	(3,384)	63.5%	(5,325)
NET INCOME (LOSS)	\$ (954,667)	\$ (740,369)	77.6%	\$ (795,415)	\$ (1,564,521)	\$ (436,004)	15.8%	\$ (2,764,453)

(A) Charges for services are higher than budget due to misc receipts from casualty insurance company.

(B) Salaries and employee benefit is lower than budget due to 1 deleted Workers' Comp Claims Examiner position and salary adjustment in Workers' Comp Manager Position.

(C) There was an invoice for \$3,903 from an insurance Company processed in January for special case.

(D) Expenses are incurred on an as-needed basis.

(E) Annual insurance premiums and Workers' Comp Assessment were paid at the beginning of the fiscal year.

(F) There was no expense incurred for out of town travel. Budget for this expenditure is \$2,000.

(G) Transfers to Data Communication Replacement Fund is at 100% of budget. Transfers to PC Replacement Fund is at 58% of budget as of January 31, 2012.

(H) Includes year end adjustment of \$1.5M to the accrued workers' compensation and liability claims per the Actuarial Report for June 30, 2011.

SELF-INSURANCE FUND

**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012**

Cash flows from operating activities

Operating income (loss)	\$	(1,420,687)	
Adjustments to reconcile operating income (loss) to net cash used by operating activities			
(Increase) decrease in misc. receivables		1,367	
Increase (decrease) in accounts payable		(332,848)	
		<hr/>	
Net cash used by operating activities	\$		(1,752,168)

Cash flows from noncapital financing activities

Operating transfers in	682,974	
Operating transfers out	(2,656)	
	<hr/>	
Net cash provided by noncapital activities		680,318

Net change in cash		(1,071,850)
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Cash, and cash equivalents, July 1, 2011		<hr/> 8,615,725
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Cash, and cash equivalents, January 31, 2012	\$	<hr/> <hr/> 7,543,875
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AIRPORT FUND**BALANCE SHEET
JANUARY 31, 2012**

	<i>January 31, 2012</i>
ASSETS	
Pooled Cash and Investments	\$ 5,126,247
Interest Receivable	19,053
Total Current Assets	5,145,300
Property, Plant and Equipment, net	7,082,316
Total Assets	\$ 12,227,616
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 112,954
Accrued Liabilities	111,080 (A)
Total Current Liabilities	224,034
Total Liabilities	224,034
Fund Equity	
Retained Earnings- Reserved	791,540 (B)
Retained Earnings- Unreserved	11,212,042
Total Fund Equity	12,003,582
Total Liabilities and Fund Equity	\$ 12,227,616

(A) Represents accrued vacation and sick leave as of June 30, 2011,
This will be adjusted at year end.

(B) Represents amount used to balance 2011-12 budget

Schedule F-1

AIRPORT FUND - COMBINED STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/12	FY 2011 Annual Budget	FY 2011 Year-to-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Leased land area rentals	\$ 8,724,100	\$ 4,906,583	56.2%	\$ 8,458,190	8,597,000	\$ 4,536,836	54.7%	\$ 8,290,601
Hangar and building rentals	2,409,000	1,426,165	59.2%	2,420,000	2,410,000	1,374,459	56.8%	2,420,218
Airfield fees and charges	183,000	97,768	53.4%	171,000	199,000	99,417	59.6%	166,917
Other revenues	14,000	10,323	73.7%	468,000	14,000	8,059	44.5%	18,130
Total Operating Revenues	11,330,100	6,440,839	56.8%	11,517,190	11,220,000	6,018,771	55.2%	10,895,866
OPERATING EXPENSES								
Salaries and employee benefits	1,546,759	837,207 (A)	54.1%	1,532,743	1,712,083	859,798	54.3%	1,583,428
Materials and supplies	367,694	171,579 (B)	46.7%	331,825	381,997	170,260	53.9%	315,606
Other professional services	441,816	187,547 (B)	42.4%	402,577	410,345	184,201	53.5%	344,538
Depreciation and amortization	320,000	218,551 (C)	68.3%	374,658	310,000	157,818	58.4%	270,217
Insurance and Claims	28,169	14,700	52.2%	28,169	28,169	15,422	72.5%	21,274
Inter- Departmental charges	798,204	442,571	55.4%	770,500	767,251	425,373	56.8%	749,052
Payment to City in lieu of taxes	300,000	176,098	58.7%	300,000	300,000	176,700	58.9%	300,000
Leased Land Rental	1,600,000	939,189	58.7%	1,600,000	1,600,000	942,398	58.9%	1,600,000
Bad Debt Expense	25,000	8,056 (D)	32.2%	22,500	10,000	581	7.7%	7,526
Other	32,107	4,690 (D)	14.6%	16,054	26,007	4,330	49.3%	8,775
Total Operating Expenses	5,459,749	3,000,188	55.0%	5,379,026	5,545,852	2,936,881	56.5%	5,200,416
OPERATING INCOME (LOSS)	5,870,351	3,440,651	58.6%	6,138,164	5,674,148	3,081,890	54.1%	5,695,450
NON-OPERATING REVENUES								
Interest income - Operations	75,000	56,775 (E)	75.7%	85,000	200,000	57,624	87.7%	65,737
Total Non-Operating Revenues	75,000	56,775	75.7%	85,000	200,000	57,624	87.7%	65,737
NON-OPERATING EXPENSES								
Interest expense	102,000	59,873	58.7%	102,000	125,550	73,949	58.9%	125,550
Income (Loss) Before Transfers	5,843,351	3,437,553	58.8%	6,121,164	5,748,598	3,065,565	54.4%	5,635,637
TRANSFERS IN	-	-	N/A	-	-	841	100.0%	841
TRANSFERS OUT	(6,634,891)	(4,110,110)	61.9%	(6,634,891)	(5,969,124)	(3,519,155)	59.0%	(5,966,490)
FROM FUND BALANCE	791,540	464,634	58.7%	513,727	220,526	129,890	58.9%	220,526
NET INCOME (LOSS)	\$ -	\$ (207,923)	N/A	\$ -	\$ -	\$ (322,859)	294.9%	\$ (109,486)

- (A) Budget includes a one time funding of \$107,000 for Airport operations supervisor. The position for customer service representative is budgeted, however, currently charging Cultural Arts Center. Worker's Comp. Up to 4 years was budget for \$15,000, however; no expenditures has been made as of January 31, 2012. Budget includes salaries for Public Works of \$43,809, however, no interdepartmental work order request have been received so far.
- (B) Overall Airport materials, supplies and other professional services are expected to be under spent at year-end.
- (C) Depreciation is higher than budget due to the realization of FEAP#449 Airport Hangar Electrical Upgrade as a depreciable asset on June 30th. A budget transfer will be made in February 2012 from material and supplies savings.
- (D) The aeronautical budget for bad debts, membership dues, out-of-town travel, and education/training schools are expected to be under spent at year-end.
- (E) Budget will be adjusted next fiscal year to be inline with actual earnings.

Schedule F-2

AIRPORT - AERONAUTICAL STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/12	FY 2011 Annual Budget	FY 2011 Year-to-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Leased land area rentals	\$ 1,436,100	\$ 863,693	60.1%	\$ 1,436,100	1,413,000	\$ 800,145	56.5%	\$ 1,368,716
Hangar and building rentals	2,409,000	1,426,165	59.2%	2,420,000	2,410,000	1,374,459	56.8%	2,420,218
Airfield fees and charges	183,000	97,768	53.4%	171,000	199,000	99,417	59.6%	166,917
Other Revenues	14,000	10,323	73.7%	18,000	14,000	8,059	44.5%	18,130
Total Operating Revenues	4,042,100	2,397,949	59.3%	4,045,100	4,036,000	2,282,080	57.4%	3,973,981
OPERATING EXPENSES								
Salaries and employee benefits	1,401,558	748,092 (A)	53.4%	1,387,542	1,467,720	731,584	54.2%	1,350,870
Materials and supplies	367,694	171,579 (B)	46.7%	331,825	381,997	170,260	53.9%	315,606
Other Professional services	332,804	144,990 (B)	43.6%	304,466	301,333	141,499	52.6%	269,238
Depreciation and amortization	320,000	218,551 (C)	68.3%	374,658	310,000	157,818	58.4%	270,217
Insurance and claims	28,169	14,700	52.2%	28,169	28,169	15,422	72.5%	21,274
Inter-Departmental charges	798,204	442,571	55.4%	770,500	767,251	425,373	56.8%	749,052
Payment to City in lieu of taxes	300,000	176,098	58.7%	300,000	300,000	176,700	58.9%	300,000
Bad Debt Expense	25,000	8,056 (D)	32.2%	22,500	10,000	581	7.7%	7,526
Other	10,500	1,665 (D)	15.9%	5,250	4,400	924	65.5%	1,410
Total Operating Expenses	3,583,929	1,926,302	53.7%	3,524,910	3,570,870	1,820,161	55.4%	3,285,193
OPERATING INCOME (LOSS)	458,171	471,647	102.9%	520,190	465,130	461,919	67.1%	688,788
NON-OPERATING EXPENSES								
Interest expense	102,000	59,873	58.7%	102,000	125,550	73,949	58.9%	125,550
Total Non-Operating Expenses	102,000	59,873	58.7%	102,000	125,550	73,949	58.9%	125,550
Income (Loss) Before Transfers	356,171	411,774	115.6%	418,190	339,580	387,970	68.9%	563,238
TRANSFERS IN	-	-	N/A	-	-	841	100.0%	841
TRANSFERS OUT	(531,143)	(527,253) (E)	99.3%	(531,143)	(14,918)	(13,808)	112.4%	(12,284)
FROM FUND BALANCE	174,972	102,709	58.7%	112,953	-	-	N/A	-
NET INCOME (LOSS)	-	(12,770)	N/A	-	\$ 324,662	\$ 375,003	68.0%	\$ 551,795

- (A) Budget includes a one time funding of \$107,000 for Airport operations supervisor. The position for customer service representative is budgeted, however, currently charging Cultural Arts Center. Worker's Comp. Up to 4 years was budget for \$15,000, however; no expenditures has been made as of January 31, 2012. Budget includes salaries for Public Works of \$43,809, however, no interdepartmental work order request have been received so far.
- (B) Aeronautical materials, supplies and other professional services are expected to be under spent at year-end.
- (C) Depreciation is higher than budget due to the realization of FEAP#449 Airport Hanger Electrical Upgrade as a depreciable asset on June 30th. A budget transfer will be made in February 2012 from material and supplies savings.
- (D) The aeronautical budget for bad debts, membership dues, out-of-town travel, and education/training schools are expected to be under spent at year-end.
- (E) Budget was increased for Council item 8D dated October 18th for FEAP#763 Airport Hanger Roof in the amount of \$56,925 and Council item 8C dated December 13th for FEAP#767 for electrical equipment purchase in the amount of \$35,000. Budget also includes Council item 12A dated January 10 FEAP#778 General Aviation Center flooring in the amount of \$38,500, I118 resurfacing of Meadow Park parking in the amount of \$190,000 and I126 FY11-12 Airport pavement maintenance in the amount of \$189,970.

Schedule F-3

AIRPORT - NON-AERONAUTICAL STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/12	FY 2011 Annual Budget	FY 2011 Year-to-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Leased land area rentals	\$ 7,288,000	\$ 4,042,890	55.5%	\$ 7,022,090	7,184,000	\$ 3,736,691	54.0%	\$ 6,921,885
Other Revenues	-	-	0.0%	450,000 (A)	-	-	0.0%	-
Total Operating Revenues	7,288,000	4,042,890	55.5%	7,472,090	7,184,000	3,736,691	54.0%	6,921,885
OPERATING EXPENSES								
Salaries and employee benefits	145,201	89,115	61.4%	145,201	244,363	128,214	55.1%	232,558
Other Professional services	109,012	42,557 (B)	39.0%	98,111	109,012	42,702	56.7%	75,300
Leased Land Rental	1,600,000	939,189	58.7%	1,600,000	1,600,000	942,398	58.9%	1,600,000
Other	21,607	3,025	14.0%	10,804	21,607	3,406	46.2%	7,365
Total Operating Expenses	1,875,820	1,073,886	57.2%	1,854,116	1,974,982	1,116,720	58.3%	1,915,223
OPERATING INCOME (LOSS)	5,412,180	2,969,004	54.9%	5,617,974	5,209,018	2,619,971	52.3%	5,006,662
NON-OPERATING REVENUES								
Interest income - Operations	75,000	56,775 (C)	75.7%	85,000	200,000	57,624	87.7%	65,737
Total Non-Operating Revenues	75,000	56,775	75.7%	85,000	200,000	57,624	87.7%	65,737
Income (Loss) Before Transfers	5,487,180	3,025,779	55.1%	5,702,974	5,409,018	2,677,595	52.8%	5,072,399
TRANSFERS OUT	(6,103,748)	(3,582,857)	58.7%	(6,103,748)	(5,954,206)	(3,505,347)	58.9%	(5,954,206)
FROM FUND BALANCE	616,568	361,925	58.7%	400,774	545,188	321,116	58.9%	545,188
NET INCOME (LOSS)	\$ -	\$ (195,153)	N/A	\$ -	\$ -	\$ (506,636)	150.51%	\$ (336,619)

(A) Payment that will be received on or before May 13, 2012 as part of the City's agreement to amend the ground lease with LDC Skypark LLC per Council approved item on March 13, 2012.

(B) Airport non-aeronautical budget for professional, legal and special services is \$36,512, to date there have been no expenditures. The expenditure of \$42,557 is for light and power.

(C) Budget will be adjusted next fiscal year to be inline with actual earnings.

AIRPORT FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012

Cash flows from operating activities

Operating income	\$ 3,440,651	
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation and amortization	218,551	
Decrease in accounts receivable	253,881	
Increase in accounts payable	(22,763)	
Decrease in deferred liabilities	(130,983)	
Net cash provided by operating activities		3,759,337

Cash flows from capital and related financing activities

Capital project expenditures	(70,638)	
Interest expense	(59,873)	
Net cash used by capital and related financing		(130,511)

Cash flows from noncapital financing activities

Operating transfer out	(4,110,110)	
Transfer from operations to capital	510,019	
Net cash used by noncapital financing activities		(3,600,091)

Cash flows from investing activities

Interest on investments	56,775	
Net cash provided by investing activities		56,775

Net change in cash

85,510

Cash and cash equivalents, July 1, 2011

5,040,737

Cash and cash equivalents, January 31, 2012\$ 5,126,247

Schedule G

TRANSIT FUND

**BALANCE SHEET
JANUARY 31, 2012**

	<u>January 31, 2012</u>
ASSETS	
Pooled Cash and Investments	\$ 6,065,463
Accounts Receivable	1,237
Accrued interest receivable	22,227
Inventory	866,163
Due from other Governments	116,959
Total Current Assets	7,072,049
Property, Plant and Equipment, net	22,279,914
Total Assets	\$ 29,351,963
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 54,100
Accrued Liabilities	1,092,042
Total Current Liabilities	1,146,142 (A)
Deferred Liability	3,019,412
Total Liabilities	4,165,554
Fund Equity	
Retained Earnings - Reserved	580,116
Retained Earnings - Unreserved	24,606,293
Total Fund Equity	25,186,409
Total Liabilities and Fund Equity	\$ 29,351,963

(A) Represents accrued vacation and sick leave as of June 30, 2011. This will be adjusted at year end.

TRANSIT FUND
STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

Schedule G-1

	FY 2012 Annual Budget	FY 2012 Year-to-date Actual Without Enc.	FY 2012 Budget % Without Enc.	Projected Actual 06/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Passenger cash fares	\$ 3,471,200	\$ 1,761,157	50.7%	\$ 3,190,000	\$ 3,465,700	\$ 1,732,974	54.3%	\$ 3,192,487
Advertising	150,000	81,870 (A)	54.6%	159,000	141,000	77,057	51.5%	149,514
Miscellaneous	830	20,111 (B)	2423.0%	25,000	35,830	68,663	99.7%	68,851
Total Operating Revenues	3,622,030	1,863,138	51.4%	3,374,000	3,642,530	1,878,694	55.1%	3,410,852
NON-OPERATING REVENUES								
Transportation Development Act (TDA)	4,644,999	2,322,499 (C)	50.0%	4,644,999	3,761,275	1,880,641	50.0%	3,761,275
5% Security	158,558	92,492	58.3%	158,558	164,902	96,185	60.3%	159,448
Proposition A Discretionary	3,574,087	2,084,884	58.3%	3,574,087	3,361,973	1,961,151	58.3%	3,361,973
Prop 1B-Bridge	-	-	N/A	-	-	-	0.0%	652,520
Prop. C Disc. - Svc Exp	281,797	164,382	58.3%	281,797	267,757	156,192	58.3%	267,757
Prop. C Disc. - Shortfall & Zone M	154,445	90,093	58.3%	154,445	121,245	70,726	58.3%	121,245
Prop. C - Base Restructuring	644,535	375,979	58.3%	644,535	631,959	368,643	58.3%	631,959
Prop. C - BSIP Overcrowding	213,927	124,791	58.3%	213,927	209,753	122,356	58.3%	209,753
Measure R	2,105,081	1,227,964	58.3%	2,105,081	1,758,220	1,025,628	58.3%	1,758,220
Prop. A -Torrance Dial-a-Taxi	180,000	90,540 (D)	50.3%	180,000	180,000	217,594	120.9%	180,000
Prop. A - Local Return	1,880,708	997,276	53.0%	1,825,000	1,829,702	934,221	50.9%	1,836,688
Prop. A - Exchange	600,000	600,000 (E)	100.0%	600,000	1,250,000	1,250,000	100.0%	1,250,000
State Transit Assistance Fund	878,094	219,524 (F)	25.0%	878,094	1,009,408	1,009,408	100.0%	1,009,408
From Other cities-Dial A Taxi	50,000	17,296 (G)	34.6%	50,000	65,000	25,948	48.9%	53,055
Municipal Operators Service Program	1,039,500	606,375	58.3%	1,039,500	554,708	323,580	58.3%	554,708
Capital Maintenance Revenues	2,250,000	- (H)	0.0%	2,250,000	2,250,000	262,500	11.7%	2,250,000
Interest	90,000	51,110	56.8%	76,000	90,000	43,775	59.1%	74,053
Total Non-Operating Revenues	18,745,731	9,065,205	48.4%	18,676,023	17,505,902	9,748,548	53.8%	18,132,062
Total Revenues / Resources	22,367,761	10,928,343	48.9%	22,050,023	21,148,432	11,627,242	54.0%	21,542,914
OPERATING EXPENSES								
Salaries and employee benefits	14,022,582	7,251,430 (I)	51.7%	12,304,050	12,981,916	7,095,472	59.0%	12,032,672
Services and supplies	3,372,197	1,685,804 (J)	50.0%	2,806,632	2,736,992	1,473,748	54.7%	2,695,379
Other professional services	2,075,622	747,389 (K)	36.0%	1,900,000	2,030,194	804,847	42.7%	1,886,941
Depreciation and amortization	2,376,000	1,755,531 (L)	73.9%	2,754,380	2,513,000	1,374,194	58.3%	2,358,235
Insurance and Claims	311,252	170,680 (M)	54.8%	288,045	365,252	237,316	65.0%	365,241
Interdepartmental charges	2,918,278	1,528,860 (N)	52.4%	2,512,088	2,781,188	1,475,056	58.9%	2,505,270
Other	77,000	127,665 (O)	165.8%	175,000	77,000	43,461	79.2%	54,846
Total Expenses	25,152,931	13,267,359	52.7%	22,740,195	23,485,542	12,504,094	57.1%	21,898,584
Income (Loss) before transfers	(2,785,170)	(2,339,016)	84.0%	(690,172)	(2,337,110)	(876,852)	246.5%	(355,670)
OPERATING TRANSFERS IN - Prop C	754,000	523,167 (P)	69.4%	754,000	104,000	104,000	100.0%	104,000
OPERATING TRANSFERS OUT	(39,695)	(32,639) (Q)	82.2%	(36,700)	(42,731)	(34,402)	81.5%	(42,203)
Income (Loss) after Operating Transfers	(2,070,865)	(1,848,488)	89.3%	27,128	(2,275,841)	(807,254)	274.7%	(293,873)
ADD: DEPRECIATION	2,376,000	1,755,531	73.9%	2,754,380	2,513,000	1,374,194	58.3%	2,358,235
NET INCOME (LOSS) BEFORE CAPITAL ACQUISITIONS	\$ 305,135	\$ (92,957)	N/A	\$ 2,781,508	\$ 237,159	\$ 566,940	27.5%	\$ 2,064,362
ADD: Contributed Capital Received for Capital Acquisitions		10,113,207	N/A	10,113,207	-	-	0.0%	276,869
LESS: Capital Acquisitions		(12,070,769) (R)	N/A	(12,070,769)	-	(227,036)	67.9%	(334,530)
ADD: Prop 1B-Public Transp. Modernization Imprv. & Svc.		742,767 (S)		742,767				
ADD: Prop A Discretionary from reserves		580,116		580,116				
ADD: Pending Federal Grant		33,760		33,760				
ADD: Pending Local Match State Transit Assist. & Transport. Develop. Act		206,622		206,622				
NET INCOME (LOSS) AFTER CAPITAL ACQUISITIONS		\$ (487,254)	N/A	2,387,211	-	339,904	16.9%	2,006,701
PARTS AND FUEL INVENTORY PURCHASES								
Parts Inventory Purchases	405,724	264,625	65.2%	453,640	460,000	274,895	48.3%	569,299
Fuel Inventory Purchases	2,360,000	961,042	40.7%	2,100,000	1,825,724	577,291	34.4%	1,679,198
Lubricants Inventory Purchases	61,440	28,975	47.2%	49,000	49,000	27,366	61.0%	44,838
Total Parts & Fuel Inventory Purchases	2,827,164	1,254,642	44.4%	2,602,640	2,334,724	879,552	38.4%	2,293,335

- (A) Actual revenues are received after the end of each quarter.
(B) \$12,865 recovery claim was received on August 19th from a casualty company which was not budgeted for. The remaining revenues are from ID card sales and insurance companies.
(C) \$387,083 of January's funds were received from the County of Los Angeles on February 2, 2012. If received in January, percent of actual to budget would be 58.3%.
(D) Local subsidy is recorded on a quarterly basis.
(E) \$200,000 of Prop A Exchange from City of Palos Verdes Estates and \$400,000 from City of Lomita.
(F) Haven't received 2nd quarter funds.
(G) Second quarter billing to the City of Lomita sent on February 8th in the amount of \$16,220. Invoice is still outstanding.
(H) Funding subject to federal approval and anticipated to be received towards fiscal year-end.
(I) Salary charges are at 51.7% of budget due to these vacancies as of the second quarter: 2 Transit Supervisors, Transit Operations Manager, Transit Dispatcher, Storekeeper, 2 Senior Mechanics, 9 Bus operators, 4 Relief Bus operator-part time, Equipment Attendant, Admin Analyst, 2 Mechanics and Maintenance worker.
(J) Materials, supplies and services are spent on an as needed basis.
(K) \$261,481 of the budget was encumbered for a lobby consultant, revenue/cash pick up services, uniforms, janitorial and graffiti removal services and security services which brings the total percent of actual expense and encumbrance to 52.1%.
(L) Depreciation is higher than budgeted due to the purchase of 20 new buses, farebox collection system and Trapeze software.
(M) There have been no claims for liability below \$50,000.
(N) Lower than budgeted due to indirect cost, since there are vacancies.
(O) Includes membership and dues, travel and training expenses, capital acquisition, asset contra account and total expense from capital fund.
(P) Transfers from Prop C will be adjusted in February 2012.
(Q) Annual transfers to the Telephone Replacement, Data Communications and Radio Replacement Funds were posted at 100% of the budget at the beginning of the fiscal year. Monthly transfers to PC Replacement Fund is at 58.3% of budget.
(R) Cost of 20 bus purchases, farebox collection equipment and Trapeze software support.
(S) Received from State of California on October 28, 2011, which is the local match for the 20 bus purchases

TRANSIT FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012

Cash flows from operating activities

Operating loss	(2,339,016)
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation and amortization	1,755,531
Increase in receivables-advances	(1,237)
Decrease in misc receivables	77,528
Decrease in inventory	230,225
Decrease in due from governments	2,232,388
Decrease in accounts payable	(405,880)
Decrease in accrued liabilities	(224,799)
Decrease in deferred liability	(89,559)
	<hr/>

Net cash provided by operating activities 1,235,181

Cash flows from capital and related financing activities

Capital expenditures	(12,070,769)
Contributed capital received	10,113,207
Prop 1B-Public Transp. Modernization Imprv. & Svc.	742,767
	<hr/>

Net cash used by capital and related financing (1,214,795)

Cash flows from noncapital financing activities

Operating transfers in (out)	490,528
	<hr/>

Net cash provided by noncapital financing activities 490,528

Net change in cash 510,914

Cash, restricted cash and cash equivalents, July 1, 2011 5,554,549

Cash, restricted cash and cash equivalents, January 31, 2012 \$6,065,463

Schedule G-3

MUNICIPAL AREA EXPRESS (MAX)

STATEMENT OF REVENUES & EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	Projected Actual 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:								
Passenger cash fares	\$ 198,021	\$ 130,082 (A)	65.7%	\$ 185,000	\$ 198,021	\$ 89,063	56.0%	\$ 159,024
Contributions from other cities	482,290	369,224	76.6%	482,290	654,587	490,941	72.8%	674,678
Intergovernmental	437,748	255,353	58.3%	437,748	437,748	255,353	58.3%	437,748
Use of money and property	—	9,469 (B)	N/A	15,500	—	—	N/A	—
Total revenues	1,118,059	764,128	68.3%	1,120,538	1,290,356	835,357	65.7%	1,271,450
Expenditures:								
Current:								
Salaries & Benefits	16,200	5,894 (C)	36.4%	12,000	16,200	9,192	60.0%	15,315
Materials & Supplies	4,500	3,100 (D)	68.9%	4,000	4,500	1,287	60.4%	2,130
Professional & contract services	1,094,287	540,046 (E)	49.4%	1,094,287	1,266,568	624,262	49.9%	1,251,087
City Charges	3,072	1,143	37.2%	3,072	3,088	1,752	60.0%	2,918
Total expenditures	1,118,059	550,183	49.2%	1,113,359	1,290,356	636,493	50.1%	1,271,450
From Fund Balance	—	—	N/A	—	—	—	N/A	—
Excess (deficiency) of revenues over expenditures	\$ —	\$ 213,945	N/A	\$ 7,179	\$ —	\$ 198,864	N/A	\$ —

(A) Reclass 2nd quarter payment of \$29,595 received from City of LA to Capital Reserve in February. The percent of actual to budget with the reclass would be 50.7%.

(B) Interest earnings through January.

(C) These are salary charges of the customer service representative. Last fiscal year salary charges are higher since the administrative analyst charged a portion of his salaries to MAX. This position is currently vacant.

(D) Printing of MAX schedules and MAX Line 3X ticket booklets amounting to \$2,750.

(E) Invoice from MV Transportation for January in the amount of \$90,986 was paid on February 17, 2012. If paid in January the percent of actual to budget would be 57.7%.

WATER FUND**BALANCE SHEET**
January 31, 2012

	January 31, 2012
ASSETS	
Pooled Cash and Investments	\$ 7,072,208
Accounts Receivable	5,517,600
Accrued Interest Receivable	16,797
Inventories	348,022
Total Current Assets	12,954,627
Restricted cash and investments	
Pooled cash and investments	551,026
Total Restricted Cash	551,026
Utility plant in service, net	66,033,109
Advances to other funds	1,154,432
Total Assets	\$ 80,693,194
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 2,966,013
Accrued Liabilities	347,455 (A)
Retainage Payable	52,483
Deposits	26,570
Revenue bonds due within one year	540,000
Total Current Liabilities	3,932,521
Noncurrent Portion of revenue bonds outstanding	1,190,000
Total Liabilities	5,122,521
Fund Equity	
Retained Earnings - Unreserved	75,927,167
Total Fund Equity	75,570,673
Total Liabilities and Fund Equity	\$ 80,693,194

(A) Represents accrued vacation and sick leave as of June 30, 2011.
This will be adjusted at year-end.

Schedule H-1

WATER FUND OPERATIONS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget(A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/12	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Water Sales	\$ 31,472,000	\$ 19,376,108 (B)	61.6%	\$ 32,522,000	\$ 28,550,000	\$ 16,243,877	55.9%	\$ 29,037,032
Other	1,429,055	649,610	45.5%	1,161,661	1,527,155	633,776	54.8%	1,157,360
Total Operating Revenues	32,901,055	20,025,718	60.9%	33,683,661	30,077,155	16,877,653	55.9%	30,194,392
OPERATING EXPENSES:								
Salaries and employee benefits	5,321,812	2,706,117 (C)	50.8%	5,160,080	4,946,870	2,641,925	58.1%	4,551,034
Services and supplies	1,590,749	898,736	56.5%	1,540,749	1,600,622	818,310	54.1%	1,512,186
Other professional services	1,121,679	466,890 (D)	41.6%	1,021,679	931,850	251,642	35.0%	718,648
Depreciation and amortization	1,200,000	703,507	58.6%	1,200,000	1,200,000	706,800	52.2%	1,355,004
Insurance and claims	92,109	35,323 (E)	38.3%	65,000	92,109	37,419	63.9%	58,558
In Lieu franchise payments	718,000	422,902	58.9%	718,000	718,000	422,902	58.9%	718,000
Interdepartmental charges	1,061,735	577,601	54.4%	1,061,735	1,307,105	766,649	64.6%	1,186,272
Cost of water	20,285,000	11,381,722	56.1%	20,255,591	19,424,354	11,285,742	60.4%	18,671,108
Others	72,275	23,325 (F)	32.3%	68,275	94,798	53,386	63.0%	84,713
Total Operating Expenses	31,463,359	17,216,123	54.7%	31,091,109	30,315,708	16,984,775	58.9%	28,855,523
OPERATING INCOME (LOSS)	1,437,696	2,809,595	195.4%	2,592,552	(238,553)	(107,122)	-8.0%	1,338,869
NON-OPERATING REVENUES								
Interest income - Operations	75,000	80,193 (G)	106.9%	100,000	250,000	81,594	80.9%	100,880
Total Non-Operating Revenues	75,000	80,193	106.9%	100,000	250,000	81,594	80.9%	100,880
NON-OPERATING EXPENSES								
Interest expense	74,300	16,086 (H)	21.7%	74,300	109,050	17,675	17.6%	100,244
Total Non-Operating Expenses	74,300	16,086	21.7%	74,300	109,050	17,675	17.6%	100,244
Income (Loss) before transfers	1,438,396	2,873,702	199.8%	2,618,252	(97,603)	(43,203)	-3.2%	1,339,505
TRANSFERS OUT	(287,490)	(283,233) (I)	98.5%	(287,490)	(258,891)	(244,345)	98.7%	(247,529)
FROM FUND BALANCE	-	-	N/A	-	356,494	209,262	N/A	-
NET INCOME (LOSS)	\$ 1,150,906	\$ 2,590,469	225.1%	\$ 2,330,762	\$ -	\$ (78,286)	-7.2%	\$ 1,091,976

(A) Annual Budget includes prior year encumbrances budget of \$34,970.

(B) Combined sales revenues from metered sales, Mobil Potable, Wholesale and commercial sales were at 62.9% of budget.

(C) Three positions (one Water Service Technician I and two Water Service Technician III) were vacant until October 2011. Annual budget for overtime in the amount of \$276,600 was at 28.2% spent as of January 31, 2012.

(D) January 2012 Global Water service fee invoice for \$45,748 was received in February 2012.

(E) There were no insurance claims under \$50,000 through January 2012. Actual expenditures represent admin fee, insurance and property damage settlements.

(F) Out-of-town travel and local meetings are expended on as needed basis.

(G) Interest income is high because the budget was reduced by 70% from the prior fiscal year. This is lower by 1.7% compared to last year due to lower cash balance.

(H) Bond interest expense payments are due on September 1st and March 1st of each year. The expense shown represents interest payment made in September 2011 and Bond admin. miscellaneous expense.

(I) Transfers to PC Replacement fund are recorded on monthly basis. Transfer to all other replacement funds are recorded 100% at the start of the fiscal year.

Schedule H-2

WATER FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012

Cash flows from operating activities

Operating income (loss)	\$ 2,809,595	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	703,507	
(Increase) Decrease in accounts receivable	86,332	
(Increase) Decrease in prepaid	95	
(Increase) Decrease in inventory	127,703	
Increase (Decrease) in accounts payable	(950,670)	
Increase (Decrease) in deposits	12,000	
Increase (Decrease) in Interest on Revenue Bonds due within one year	(26,767)	
Net cash provided by operating activities	<u>\$ 2,761,795</u>	

Cash flows from capital and related financing activities

Capital expenditures	(365,395)	
Interest and related costs paid on revenue bonds	(16,086)	
Net cash used by capital and related financing		(381,481)

Cash flows from noncapital financing activities

Operating transfers out	(283,233)	
Transfer from Water Capital Fund	265,448	
Net cash used by noncapital financing activities		(17,785)

Cash flows from investing activities

Interest on investments	80,193	
Net cash provided by investing activities		80,193

Net change in cash 2,442,722

Cash, restricted cash and cash equivalents, July 1, 2011 5,180,512

Cash, restricted cash and cash equivalents, January 31, 2012 \$ 7,623,234 (A)

(A) Includes cash held by trustee and project cash.

EMERGENCY MEDICAL SERVICES FUND**BALANCE SHEET**
January 31, 2012January 31, 2012**ASSETS****Current Assets**

Pooled Cash and Investments

\$ 58,240

Total Current Assets

58,240

Property, Plant and Equipment, net

52,759

Total Assets

\$ 110,999

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable

\$ 12,700

Total Liabilities

12,700

Fund Equity

Retained Earnings - Reserved

6,200 (A)

Retained Earnings

92,099

Total Fund Equity

98,299

Total Liabilities and Fund Equity

\$ 110,999

(A) Amount used to balance 2011-12 budget.

Schedule I-1

EMERGENCY MEDICAL SERVICES FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/12	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
PM ALS Resp and Transport Fees	\$ 830,000	\$ 464,985	56.0%	\$ 860,225	\$ 800,000	\$ 501,958	54.2%	\$ 926,325
PM ALS Assess/Transport w/o Paramedic	600,000	341,383	56.9%	655,056	583,000	345,180	52.3%	660,540
Medical Resupply Fee	160,000	67,577 (A)	42.2%	159,450	160,000	54,786	32.9%	166,750
Paramedic Medical Facility Fee	120,000	67,428	56.2%	122,372	120,000	64,130	48.5%	132,290
Other	-	-	N/A	-	10,385	10,385	100.0%	10,385
Total Operating Revenues	1,710,000	941,373	55.1%	1,797,103	1,673,385	976,439	51.5%	1,896,290
OPERATING EXPENSES:								
Salaries and employee benefits	9,739,677	5,690,588	58.4%	9,739,677	9,366,907	5,449,386	58.4%	9,330,956
Services and supplies	327,582	160,910 (B)	49.1%	285,097	265,882	177,737	62.1%	286,081
Other professional services	21,140	12,231 (C)	57.9%	21,140	22,938	1,488	7.0%	21,292
Depreciation and amortization	10,000	7,137 (D)	71.4%	12,235	10,000	7,137	58.3%	12,235
Capital Outlay	-	-	N/A	-	23,300	3,621	17.2%	21,108
Others	10,000	9,286 (E)	92.9%	10,000	12,500	6,298	54.9%	11,473
Total Operating Expenses	10,108,399	5,880,152	58.2%	10,068,149	9,701,527	5,645,667	58.3%	9,683,145
OPERATING INCOME (LOSS)	(8,398,399)	(4,938,779)	58.8%	(8,271,046)	(8,028,142)	(4,669,228)	60.0%	(7,786,855)
Income (Loss) before transfers	(8,398,399)	(4,938,779)	58.8%	(8,271,046)	(8,028,142)	(4,669,228)	60.0%	(7,786,855)
OPERATING TRANSFERS IN	8,975,199	5,201,407	58.0%	8,791,937	8,609,642	4,839,301	57.8%	8,369,855
OPERATING TRANSFERS OUT	(583,000)	(262,628) (F)	45.0%	(520,891)	(583,000)	(170,073)	29.2%	(583,000)
FROM FUND BALANCE	6,200	-	0.0%	-	1,500	-	N/A	-
NET INCOME (LOSS)	\$ -	\$ -	N/A	\$ -	\$ -	\$ -	N/A	\$ -

- (A) Actual revenues represent July through November averaging \$13,515 per month in Medical Resupply Fees. The prior fiscal year averaged \$13,896 per month and the year-to-date amount was for July through October fees.
- (B) Materials and Supplies are expended as needed. Medical supplies are encumbered for 100% of the \$135,000 budget. If these encumbrances were included, actuals would be 67.9% expended. Vehicle related expenditures are 45.4% expended as of January.
- (C) Professional services are used as needed throughout the year and a software users license renewal for \$9,996 was paid in January.
- (D) The actual depreciation rate is higher than budgeted and will remain high through fiscal year-end. FY2012-13 budget will be adjusted.
- (E) Other expenses are for new accreditation, recertification and other training of paramedics.
- (F) Transfers out represent PM ALS Assess/Transport w/o Paramedic revenues transferred to the General Fund.

EMERGENCY MEDICAL SERVICES FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012****Cash flows from operating activities**

Operating loss	\$	(4,938,779)	
Adjustments to reconcile operating loss to net cash used by operating activities			
Depreciation and amortization		7,137	
(Increase)/Decrease in accounts receivable		263,055	
Increase/(Decrease) in accounts payable		2,357	
Increase/(Decrease) in accrued liabilities		(47)	
Increase/(Decrease) in to due to other funds		(214,262)	
Net cash used by operating activities			\$ (4,880,539)

Cash flows from noncapital financing activities

Operating transfers in	5,201,407	
Operating transfers out	(262,628)	
Net cash provided by noncapital financing activities		<u>4,938,779</u>

Net change in cash 58,240

Cash, restricted cash and cash equivalents, July 1, 2011 -

Cash, restricted cash and cash equivalents, January 31, 2012 58,240

SANITATION ENTERPRISE FUND**BALANCE SHEET****January 31, 2012****January 31, 2012****ASSETS***Current Assets*

Pooled Cash and Investments \$ 596,712

Accounts Receivable 1,817,904

Total Current Assets 2,414,616

Utility plant in service, net 12,426

Total Assets \$ 2,427,042**LIABILITIES AND FUND EQUITY***Current Liabilities*

Accounts Payable \$ 20,147

Accrued Liabilities 353,602 (A)

Total Liabilities 373,749*Fund Equity*

Retained Earnings - Unreserved 2,053,293

Total Fund Equity 2,053,293**Total Liabilities and Fund Equity** \$ 2,427,042

(A) Represents accrued vacation and sick leave as of June 30, 2011.

This will be adjusted at year-end.

Schedule J-1

SANITATION ENTERPRISE FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget (A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/12	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Refuse fee revenue	\$ 7,918,845	\$ 4,759,194 (B)	60.1%	\$ 8,071,692	\$ 7,412,620	\$ 4,185,037	56.8%	\$ 7,372,204
Recycling fee revenue	1,611,750	953,757 (C)	59.2%	1,617,592	1,490,000	836,737	56.1%	1,492,198
AB 939 fee revenue	720,000	392,387	54.5%	725,000	795,000	287,503	40.3%	714,008
Total Operating Revenues	10,250,595	6,105,338	59.6%	10,414,284	9,697,620	5,309,277	55.4%	9,578,410
OPERATING EXPENSES:								
Salaries and employee benefits	4,024,381	2,286,350 (D)	56.8%	3,902,697	3,852,037	2,212,864	57.7%	3,837,468
Services and supplies	3,948,310	1,797,615	45.5%	3,228,792	3,280,930	1,817,381	56.1%	3,240,998
Depreciation and amortization	23,700	7,248 (E)	30.6%	12,500	23,700	13,781	63.3%	21,759
Other professional services	2,640,104	1,102,459 (F)	41.8%	2,269,793	2,340,726	769,653	34.0%	2,263,415
Insurance and claims	187,374	43,855 (G)	23.4%	75,379	222,374	60,184	65.8%	91,503
Interdepartmental charges	751,781	414,035	55.1%	722,542	766,909	457,253	60.9%	750,289
Others	24,460	2,561 (H)	10.5%	14,057	50,960	14,257	38.6%	36,943
Total Operating Expenses	11,600,110	5,654,123	48.7%	10,225,760	10,537,636	5,345,373	52.2%	10,242,375
OPERATING INCOME (LOSS)	(1,349,515)	451,215	133.4%	188,524	(840,016)	(36,096)	5.4%	(663,965)
NON-OPERATING REV (EXP)								
Interest income (expense)	15,000	-	0.0%	-	40,000	6,487	81.8%	7,935
Total Non-Operating Revenues (Expense)	15,000	-	0.0%	-	40,000	6,487	81.8%	7,935
Income (Loss) before transfers	(1,334,515)	451,215	133.8%	188,524	(800,016)	(29,609)	4.5%	(656,030)
TRANSFERS IN	162,043	92,918	57.3%	162,043	-	-	N/A	-
TRANSFERS OUT	(119,632)	(68,605) (I)	57.3%	(119,632)	(152,319)	(132,200)	99.5%	(132,871)
FROM FUND BALANCE	-	-	N/A	-	952,335	161,809	20.5%	788,901
NET INCOME (LOSS)	\$ (1,292,104)	\$ 475,528	136.8%	\$ 230,935	\$ -	\$ -	N/A	\$ -

(A) Annual budget includes prior year encumbrances budget of \$255,786.

(B) Refuse fee revenues are higher due to CPI increase in July 2011.

(C) A new contractor was awarded our recycling program where we expect higher revenues.

(D) There are 3 vacant positions for Equipment Operator as of January 2012. Recruitment process is in progress.

(E) Almost all Sanitation's machinery and equipment were fully depreciated as of January 2012. Budget will be adjusted next fiscal year.

(F) Special contracts are utilized on as needed basis. Dump fees of \$162,127 for January 2012 were paid in February. If the amounts were paid in January the percentage would have been 44.7%.

(G) There were no Insurance Claims Under \$50,000 as of January 31, 2012. Actual charges represent admin fee, insurance and claims over \$50,000.

(H) Budget for bad debts of \$22,720 remain unspent as of January 2012. Actual expenses represent membership dues and training expenses.

(I) Transfers to PC Replacement fund are recorded on monthly basis. Transfer to all other replacement funds are recorded 100% at the start of the fiscal year.

SANITATION ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012

Cash flows from operating activities

Operating income (loss)	\$ 451,215	
Adjustments to reconcile operating income (loss) to net cash used by operating activities		
Depreciation and amortization	7,248	
(Increase) Decrease in accounts receivable	(275,824)	
(Increase) Decrease in Due From Other Governments	39,330	
Increase (Decrease) in accounts payable	(401,684)	
Net cash used by operating activities	<u>\$ (179,715)</u>	

Cash flows from capital and related financing activities

Capital expenditures	(206,821)	
Net cash used by capital and related financing		(206,821)

Cash flows from noncapital financing activities

Operating transfers in	92,918	
Operating transfers out	(68,605)	
Transfer from Sanitation Capital Fund	67,000	
Net cash provided by noncapital financing activities		91,313

Cash flows from investing activities

Interest income (expense)	-	
Net cash provided by investing activities	<u>-</u>	

Net change in cash (295,223)

Cash, restricted cash and cash equivalents, July 1, 2011 891,935

Cash, restricted cash and cash equivalents, January 31, 2012 \$ 596,712

CULTURAL ARTS CENTER ENTERPRISE FUND**BALANCE SHEET**
January 31, 2012

	<u>January 31, 2012</u>
ASSETS	
Pooled Cash and Investments	\$ 73,145
Accounts Receivable	34,763
Total Current Assets	\$ 107,908
Machinery and Equipment, net	504,126
Total Assets	\$ 612,034
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	\$ 146,705
Accrued liabilities	83,396 (A)
Total Liabilities	\$ 230,101
Fund Equity	
Reserved Retained Earnings	\$ 177,768 (B)
Unreserved Retained Earnings	206,423
Total Fund Equity	\$ 381,933
Total Liabilities and Fund Equity	\$ 612,034

(A) Represents accrued vacation and sick leave as of June 30, 2011.
This will be adjusted at year end.

(B) Represents amount used to balance 2011-12 budget and includes
amount reserved for facility repairs and equipment projects.

Schedule K-1

CULTURAL ARTS CENTER ENTERPRISE FUND STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/12	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Charges for rental	\$ 757,090	\$ 347,217	45.9%	\$ 605,000	\$ 715,090	\$ 367,366	60.9%	\$ 603,376
Charges for services	404,400	160,606	39.7%	390,000	404,400	164,360	42.0%	391,575
Total Operating Revenues	1,161,490	507,823 (A)	43.7%	995,000	1,119,490	531,726	53.4%	994,951
OPERATING EXPENSES:								
Salaries and employee benefits	1,487,265	860,594	57.9%	1,472,265	1,549,664	873,048	58.0%	1,506,095
Materials and supplies	125,358	42,257 (B)	33.7%	100,000	125,358	49,832	67.3%	74,083
Other professional services	337,245	153,150 (B)	45.4%	287,000	343,729	170,529	64.7%	263,525
Depreciation and amortization	29,000	16,846	58.1%	29,000	29,000	11,273	60.5%	18,633
Interdepartmental charges	108,563	63,336	58.3%	108,563	107,674	62,818	58.3%	107,674
Other	12,400	208 (C)	1.7%	2,000	12,400	511	73.5%	695
Total Operating Expenses	2,099,831	1,136,391	54.1%	1,998,828	2,167,825	1,168,011	59.3%	1,970,705
OPERATING INCOME (LOSS)	(938,341)	(628,568)	67.0%	(1,003,828)	(1,048,335)	(636,285)	65.2%	(975,754)
NON-OPERATING REVENUES								
Other - Grants	73,200	32,040	43.8%	73,200	73,200	31,485	43.0%	73,200
TCA Foundation - Grants	36,240	32,303	89.1%	36,240	36,240	21,328	58.9%	36,240
Total Non-Operating Revenues	109,440	64,343	58.8%	109,440	109,440	52,813	48.3%	109,440
Income (Loss) before transfers	(828,901)	(564,225)	68.1%	(894,388)	(938,895)	(583,472)	67.4%	(866,314)
TRANSFERS IN	713,187	418,641	58.7%	713,187	780,075	459,464	59.3%	774,798
TRANSFERS OUT	(62,054)	(15,910) (D)	25.6%	(62,054)	(171,760)	(170,791)	103.0%	(165,885)
FROM FUND BALANCE FOR CAPITAL EXP.	50,000	7,320 (D)	14.6%	7,320	50,000	50,000	100.0%	50,000
FROM FUND BALANCE FOR OPER. EXP.	127,768	75,000	58.7%	127,768	280,580	165,262	79.7%	207,401
OVER (UNDER) SUBSIDY	\$ -	\$ (79,174)	N/A	\$ (108,167)	\$ -	\$ (79,537)	N/A	\$ -

- (A) Meeting and classroom rental revenues are below budget due to cancellations and a decrease in events being scheduled.
Meeting and theater labor revenues are lower than budget due to reduced staffing requirements in the Center.
- (B) Materials, supplies and other professional expenses are spent on as needed basis.
- (C) The budget in this category is for training, travel and membership dues. It is a discretionary cost and is expended by the department as the need arises.
- (D) Represents Program Modification for CAC facility repairs and equipment project approved by City Council on December 21, 2010.
The funding is replenished annually to \$50,000. \$7,320 is the replenishment funding for fiscal year 2012. Funding is from the CAC fund balance.

CULTURAL ARTS CENTER ENTERPRISE FUND
BUDGET TO ACTUAL BY PROGRAMS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Meeting Rooms				Classrooms				Theaters				Non-Departmental				Total			
	Annual Budget 11/12	YTD Actual 01/31/2012	% of Budget To Actual	FY 2011 Year-To-Date Actual	Annual Budget 11/12	YTD Actual 01/31/2012	% of Budget To Actual	FY 2011 Year-To-Date Actual	Annual Budget 11/12	YTD Actual 01/31/2012	% of Budget To Actual	FY 2011 Year-To-Date Actual	Non-Departmental YTD Actual 01/31/2012	Annual Budget 11/12	YTD Actual 01/31/2012	% of Budget To Actual	FY 2011 Year-To-Date Actual	Annual Budget 11/12	YTD Actual 01/31/2012	% of Budget To Actual
Rental	\$ 305,000	\$ 133,773	43.9% (A)	\$ 127,633	\$ 286,090	\$ 119,339	41.7% (A)	\$ 136,541	\$ 166,000	\$ 94,105	56.7%	\$ 103,192		\$ 757,090	\$ 347,217	45.9%	\$ 367,366			
Labor	120,000	58,228	48.5% (A)	66,694	-	-	NA	3,617	284,400	102,378	36.0% (A)	94,049		404,400	160,606	39.7%	164,360			
Grant-Gen. Fund	73,200	32,040	43.8% (B)	31,485	-	-	NA	-	36,240	32,303	89.1% (B)	21,328		109,440	64,343	58.8%	52,813			
Total Revenues	498,200	224,041	45.0%	225,812	286,090	119,339	41.7%	140,158	486,640	228,786	47.0%	218,569		1,270,930	572,166	45.0%	584,539			
Less: Expenses																				
Salaries and benefits	417,455	232,797	55.8%	230,853	345,355	199,060	57.6%	202,938	724,455	428,737	59.2%	439,257		1,487,265	860,594	57.9%	873,048			
Materials and supplies	42,687	21,128	49.5% (C)	24,743	25,522	-	0.0% (C)	5,027	57,149	21,129	37.0% (C)	20,062		125,358	42,257	33.7%	49,832			
Other professional services	114,203	51,032	44.7% (C)	56,631	78,100	25,133	32.2% (C)	35,054	144,942	76,985	53.1% (C)	78,844		337,245	153,150	45.4%	170,529			
Depreciation and amortization	17,000	10,498	61.8%	6,619	-	-	NA	-	12,000	6,348	52.9%	4,654		29,000	16,846	58.1%	11,273			
Interdepartmental charges	36,646	21,378	58.3%	21,196	35,681	20,818	58.3%	20,664	36,236	21,140	58.3%	20,958		108,563	63,336	58.3%	62,818			
Other	5,300	180	3.4% (D)	282	5,200	-	0.0% (D)	-	1,900	28	1.5% (D)	229		12,400	208	1.7%	511			
Total expenses	633,291	337,013	53.2%	340,324	489,858	245,011	50.0%	263,683	976,682	554,367	56.8%	564,004		2,099,831	1,136,391	54.1%	1,168,011			
Income (loss) from operations	(135,091)	(112,972)	83.6%	(114,512)	(203,768)	(125,672)	61.7%	(123,525)	(490,042)	(325,581)	66.4%	(345,435)		(828,901)	(564,225)	68.1%	(583,472)			
Transfers In	117,448	68,942	58.7%	77,079	199,906	117,345	58.7%	128,313	395,833	232,354	58.7%	254,072		713,187	418,641	58.7%	459,484			
Transfers Out	(2,741)	(2,099)	76.6% (E)	(77,428)	(2,674)	(2,057)	76.9% (E)	(2,372)	(6,639)	(4,434)	66.8% (E)	(40,991)		(62,054)	(15,910)	25.6%	(170,791)			
From Fund Balance for capital exp.	-	-	NA	-	-	-	NA	-	-	-	NA	-		50,000	7,320	14.6%	50,000			
From Fund Balance for oper. exp.	20,384	11,965	58.7%	83,484	6,536	3,837	58.7%	-	100,848	59,198	58.7%	79,347		127,768	75,000	58.7%	165,262			
Over (under) subsidy	-	(34,164)	NA	(31,377)	-	(6,547)	NA	2,416	-	(38,463)	NA	(53,007)		-	(78,174)	NA	(79,537)			

(A) Meeting and classroom rental revenues are below budget due to cancellations and a decrease in events being scheduled.

Meeting and theater labor revenues are lower than budget due to reduced staffing requirements in the Center.

(B) Events for grants will be 100% received by the end of the fiscal year.

(C) Materials, supplies and other professional expenses are spent on as needed basis.

(D) The budget in this category is for training, travel and membership dues. It is a discretionary cost and is expended by the department as the need arises.

(E) Transferred 100% of the budget to the Telephone & Data Communications replacement fund.

(F) Represents Program Modification for CAC facility repairs and equipment project approved by City Council on December 21, 2010.

The funding is replenished annually to \$50,000. \$7,320 is the replenishment funding for fiscal year 2012. Funding is from the CAC fund balance.

Schedule K-2

CULTURAL ARTS CENTER ENTERPRISE FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012****Cash flows from operating activities**

Operating loss	(628,568)	
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation and amortization	16,846	
Decrease (Increase) in accounts receivable	(5,057)	
Increase (Decrease) in accounts payable	(75,977)	
Increase (Decrease) in accrued liabilities	(457)	
	<hr/>	
Net cash used by operating activities		(\$693,213)

Cash flows from capital and related financing activities

Transfer-in from operations to capital projects and Capital Expenditures, net	1,127	
	<hr/>	
Net cash provided by capital and related financing activities		1,127

Cash flows from noncapital financing activities

Operating transfers in	418,641	
Operating transfers out	(15,910)	
Grants received	64,343	
	<hr/>	
Net cash provided by noncapital financing activities		467,074
		<hr/>
Net change in cash		(225,012)
		<hr/>
Cash and cash equivalents, July 1, 2011		298,157
		<hr/>
Cash and cash equivalents, January 31, 2012		\$73,145
		<hr/>

SEWER ENTERPRISE FUND**BALANCE SHEET**
January 31, 2012**January 31, 2012****ASSETS**

Pooled Cash and Investments	\$	10,246,809
Accounts Receivable		387,783
Accrued Interest Receivable		41,236
Total Current Assets		10,675,828

Property, Plant and Equipment, net		42,836,062
Advances to other funds		419,028

Total Assets	\$	53,930,918
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LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable		5,422
Accrued Liabilities		269,700 (A)
Total Liabilities		275,122

Fund Equity

Contributed Capital		2,786,254
Retained Earnings - Reserved		1,659,501 (B)
Retained Earnings - Unreserved		49,210,041
Total Fund Equity		53,655,796

Total Liabilities and Fund Equity	\$	53,930,918
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(A) Represents accrued vacation and sick leave as of June 30, 2011.

This will be adjusted at year-end.

(B) Amount used to balance 2011-12 budget.

Schedule L-1

SEWER ENTERPRISE FUND OPERATIONS STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Sewer charges	\$ 2,724,500	\$ 1,739,848 (A)	63.9%	\$ 2,920,369	\$ 3,004,500	\$ 1,687,531	59.0%	\$ 2,860,371
Other	8,000	2,578 (B)	32.2%	4,500	10,000	4,660	60.3%	7,722
Total Operating Revenues	2,732,500	1,742,426	63.8%	2,924,869	3,014,500	1,692,191	59.0%	2,868,093
OPERATING EXPENSES								
Salaries and employee benefits	1,824,103	1,055,902	57.9%	1,810,832	1,758,536	993,365	58.1%	1,710,289
Services and supplies	273,565	187,905 (C)	68.7%	288,691	328,634	200,515	62.0%	323,565
Other professional services	490,456	151,223 (D)	30.8%	346,477	396,538	114,422	37.2%	307,685
Depreciation	1,006,480	580,890	57.7%	1,005,000	1,006,480	592,807	60.5%	979,347
Interdepartmental charges	354,865	204,739	57.7%	345,102	413,033	264,923	64.6%	409,935
Other	14,574	707 (E)	4.9%	4,199	14,574	2,815	66.5%	4,235
Total Operating Expenses	3,964,043	2,181,366	55.0%	3,800,301	3,917,795	2,168,847	58.1%	3,735,056
OPERATING INCOME	(1,231,543)	(438,940)	35.6%	(875,432)	(903,295)	(476,656)	55.0%	(866,963)
NON-OPERATING REVENUES								
Interest income - Operations	220,000	114,146	51.9%	187,230	450,000	133,589	80.6%	165,778
Total Non-Operating Revenues	220,000	114,146	51.9%	187,230	450,000	133,589	80.6%	165,778
Income before transfers	(1,011,543)	(324,794)	32.1%	(688,202)	(453,295)	(343,067)	48.9%	(701,185)
TRANSFERS OUT	(647,958)	(647,958) (F)	100.0%	(647,958)	(509,020)	(23,986)	5.1%	(469,799)
FROM FUND BALANCE	1,659,501	972,752	58.6%	1,336,160	962,315	367,053	38.1%	962,315
NET INCOME (LOSS)	\$ -	\$ -	N/A	-	\$ -	\$ -	N/A	\$ (208,669)

(A) Revenues from Sewer charges is high because of the higher water usage. Projection for revenues at year-end was adjusted.

(B) Sewer revolving fee is projected to be lower than budget at year-end.

(C) Materials and supplies are spent on as needed basis. Budget of \$15,500 for vehicle repairs remain unspent as of January 31, 2012.

(D) Professional Services contracts are utilized on an as needed basis.

(E) There are no expenditures on local meetings, training and bad debts as of January 31, 2012.

(F) Annual budget includes an appropriation of \$101,000 to project I-77 Madrona Marsh restoration per 9/13/11 council item 8I and an appropriation of \$364,063 to project I-110 Machado Lake Watershed per 9/27/11 council item 8H and FEAP780 Trailer mounted pump, Council 01/10/12, item 12A. It also includes transfer of \$119,895 to Fleet Services Fund to partially fund the purchase of sewer cleaning truck and \$66,000 to fund the trailer mounted pump.

SEWER ENTERPRISE FUND OPERATIONS
STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012

Schedule L-2

Cash flows from operating activities

Operating income (loss)	\$ (438,940)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	580,890	
(Increase) Decrease in accounts receivable	67,223	
Increase (Decrease) in accounts payable	(51,123)	
Net cash provided by operating activities	<u>\$ 158,050</u>	

Cash flows from capital and related financing activities

Capital expenditures	(538,590)	
Net cash used by capital and related financing		(538,590)

Cash flows from non-capital financing activities

Operating transfers out	(647,958)	
Transfer from Sewer Capital Fund	528,063	
Net cash used by non-capital financing activities		(119,895)

Cash flows from investing activities

Interest on investment	114,146	
Net cash provided by investing activities		<u>114,146</u>

Net change in cash (386,289)

Cash, restricted cash and cash equivalents, July 1, 2011 10,633,098

Cash, restricted cash and cash equivalents, January 31, 2012 \$ 10,246,809 (A)

(A) Includes project cash

PARKS AND RECREATION ENTERPRISE FUND**BALANCE SHEET
JANUARY 31, 2012**

ASSETS		<u>January 31, 2012</u>
Current Assets		
Pooled Cash and Investments	\$	(436,335)
Total Current Assets		(436,335)
Fixed Assets - Net		16,873
Total Assets	\$	(419,462)
LIABILITIES AND FUND EQUITY		
Current Liabilities		
Accounts Payable	\$	11,808
Total Liabilities		11,808
Fund Equity (Deficit)		
Retained Earnings (Deficit)		(431,270)
Total Fund Equity (Deficit)		(431,270)
Total Liabilities and Fund Equity (Deficit)	\$	(419,462)

Schedule M-1

PARKS AND RECREATION ENTERPRISE FUND-COMBINED

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	Projected Actual 06/30/2012	FY2011 Annual Budget	FY2011 Year-To-Date Actual Without Enc.	FY2011 Actual to Actual % Without Enc.	FY2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ 4,814,409	\$ 2,886,817 (A)	60.0%	\$ 4,158,242	\$ 4,795,383	\$ 2,859,104	69.0%	\$ 4,146,036
Other	1,200	797	66.4%	1,200	10,394	8,644	76.7%	11,273
Total Operating Revenues	4,815,609	2,887,614	60.0%	4,159,442	4,805,777	2,867,748	69.0%	4,157,309
OPERATING EXPENSES								
Salaries and employee benefits	5,297,297	3,059,648 (B)	57.8%	5,220,670	5,114,997	3,168,075	61.6%	5,146,478
Services and supplies	1,134,457	600,205	52.9%	1,040,355	1,205,590	619,424	59.1%	1,048,556
Other Professional Services	1,222,169	459,058 (C)	37.6%	800,701	1,176,075	580,176	59.5%	975,083
Insurance and claims	18,421	5,481 (D)	29.8%	9,516	18,421	5,481	57.6%	9,516
Interdepartmental charges	756,609	441,343	58.3%	756,609	727,001	424,081	58.3%	727,001
Depreciation	-	874 (E)	0.0%	1,498	-	874	58.3%	1,498
Other	28,320	2,616 (F)	9.2%	11,034	19,920	5,347	32.9%	16,237
Total Operating Expenses	8,457,273	4,569,225	54.0%	7,840,383	8,262,004	4,803,458	60.6%	7,924,369
OPERATING INCOME(LOSS)	(3,641,664)	(1,681,611)	46.2%	(3,680,941)	(3,456,227)	(1,935,710)	51.4%	(3,767,060)
OPERATING TRANSFERS IN	3,283,695	1,927,529	58.7%	3,283,695	3,290,008	1,816,612	55.2%	3,290,007
OPERATING TRANSFERS OUT	(45,095)	(32,739) (G)	72.6%	(45,095)	(52,809)	(35,361)	68.4%	(51,686)
OVER (UNDER) SUBSIDY	\$ (403,064)	\$ 213,179	-52.9%	\$ (442,341)	\$ (219,028)	\$ (154,459)	29.2%	\$ (528,739)
ONE-TIME TRANSFERS	\$ 1,100,000	\$ 494,908 (H)	45.0%	\$ 1,100,000	\$ -	\$ -	-	\$ -

(A) Revenues are higher than budget due to the large number of registrants in Cultural Services division-adult performing arts, youth fine arts and youth special interest classes. Rental Income and Farmers Market revenues are \$72,637 more than budget as of January 31, 2012.

(B) Salaries for seasonal employees in the Cultural Services Division are lower by \$65,620 as of January 31, 2012.

(C) Professional/technical services and special contract services are utilized as needed.

(D) There have been no claims paid as of January, and the amount shown reflects administration charges only.

(E) Budget will be included in next fiscal year.

(F) There was no out of town travel incurred as of January 31, 2012. Budget for this expenditure is \$7,800.

(G) Transfers to the Telephone, Data and Radio Communications Replacement Funds are at 100% of budget. Transfers to PC Replacement Funds is at 58% of budget.

(H) This transfer eliminates the beginning (July 1st) negative cash balance of the Parks and Recreation Enterprise Fund.

PARKS AND RECREATION - RECREATION SERVICES

Schedule M-2

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	Projected Actual 06/30/2012	FY2011 Annual Budget	FY2011 Year-To-Date Actual Without Enc.	FY2011 Actual to Actual % Without Enc.	FY2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ 3,494,526	\$ 2,003,799 (A)	57.3%	\$ 2,970,347	\$ 3,330,500	\$ 1,964,720	66.8%	\$ 2,943,145
Other	1,200	797	66.4%	1,200	10,394	7,621	74.4%	10,249
Total Operating Revenues	3,495,726	2,004,596	57.3%	2,971,547	3,340,894	1,972,341	66.8%	2,953,394
OPERATING EXPENSES								
Salaries and employee benefits	4,205,997	2,474,260	58.8%	4,205,997	4,035,797	2,554,539	62.6%	4,083,253
Services and supplies	882,075	407,996	46.3%	707,193	808,208	393,737	59.4%	663,233
Other Professional Services	669,839	213,372	31.9%	374,845	623,745	298,010	60.1%	495,990
Insurance and claims	18,421	5,481 (B)	29.8%	9,516	18,421	5,481	57.6%	9,516
Interdepartmental charges	754,409	440,062	58.3%	754,409	724,901	422,856	58.3%	724,901
Depreciation	-	874 (C)	0.0%	1,498	-	874	58.3%	1,498
Other	22,520	1,922 (D)	8.5%	8,331	14,020	4,239	35.2%	12,028
Total Operating Expenses	6,553,261	3,543,967	54.1%	6,061,789	6,225,092	3,679,736	61.4%	5,990,419
OPERATING INCOME(LOSS)	(3,057,535)	(1,539,371)	50.3%	(3,090,242)	(2,884,198)	(1,707,395)	56.2%	(3,037,025)
OPERATING TRANSFERS IN	2,579,816	1,514,352	58.7%	2,579,816	2,579,816	1,519,512	58.9%	2,579,815
OPERATING TRANSFERS OUT	(40,595)	(30,097) (E)	74.1%	(40,595)	(48,309)	(32,736)	69.4%	(47,186)
OVER (UNDER) SUBSIDY	\$ (518,314)	\$ (55,116)	10.6%	\$ (551,021)	\$ (352,691)	\$ (220,619)	43.7%	\$ (504,396)
ONE-TIME TRANSFERS	\$ 1,100,000	\$ 494,908 (F)	45.0%	\$ 1,100,000	\$ -	\$ -	-	\$ -

- (A) Charges for services are lower than budget due to the termination of Skateboard Park Operation which is budgeted for \$51,875 in annual revenue and decreasing registrants for senior citizen programs. Rental Income and Farmers Market revenues are \$72,637 more than budget as of January 31, 2012.
- (B) There have been no claims paid as of January, and the amount shown reflects administration charges only.
- (C) Budget will be included in next fiscal year.
- (D) There was no out of town travel incurred as of January 31, 2012. Budget for this expenditure is \$4,100.
- (E) Transfers to the Telephone, Data and Radio Communications Replacement Funds are at 100% of budget. Transfers to PC Replacement Funds is at 58% of budget.
- (F) This transfer eliminates the beginning (July 1st) negative cash balance of the Parks and Recreation Enterprise Fund.

PARKS AND RECREATION - CULTURAL SERVICES

Schedule M-3

**STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED**

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	Projected Actual 06/30/2012	FY2011 Annual Budget	FY2011 Year-To-Date Actual Without Enc.	FY2011 Actual to Actual % Without Enc.	FY2011 Prior Year Total
OPERATING REVENUES								
Charges for services	\$ 1,319,883	\$ 883,018 (A)	66.9%	\$ 1,187,895	\$ 1,464,883	\$ 894,384	74.4%	\$ 1,202,891
Other	-	-	-	-	-	1,023	99.9%	1,024
Total Operating Revenues	1,319,883	883,018	66.9%	1,187,895	1,464,883	895,407	74.4%	1,203,915
OPERATING EXPENSES								
Salaries and employee benefits	1,091,300	585,388 (B)	53.6%	1,014,673	1,079,200	613,536	57.7%	1,063,225
Services and supplies	252,382	192,209 (C)	76.2%	333,162	397,382	225,687	58.6%	385,323
Other Professional Services	552,330	245,686	44.5%	425,856	552,330	282,166	58.9%	479,093
Interdepartmental charges	2,200	1,281	58.2%	2,200	2,100	1,225	58.3%	2,100
Other	5,800	694 (D)	12.0%	2,703	5,900	1,108	26.3%	4,209
Total Operating Expenses	1,904,012	1,025,258	53.8%	1,778,594	2,036,912	1,123,722	58.1%	1,933,950
OPERATING INCOME(LOSS)	(584,129)	(142,240)	24.4%	(590,699)	(572,029)	(228,315)	31.3%	(730,035)
OPERATING TRANSFERS IN	703,879	413,177	58.7%	703,879	710,192	297,100	41.8%	710,192
OPERATING TRANSFERS OUT	(4,500)	(2,642)	58.7%	(4,500)	(4,500)	(2,625)	58.3%	(4,500)
OVER (UNDER) SUBSIDY	\$ 115,250	\$ 268,295	232.8%	\$ 108,680	\$ 133,663	\$ 66,160	-271.8%	\$ (24,343)

- (A) Charges for Services are higher than budget due to the high volume of registrants specially in adult performing arts, youth fine arts and youth special interest classes.
- (B) Salaries for seasonal employees are lower by \$65,620 as of January 31, 2012.
- (C) Services and supplies are high due to the division's advanced purchase of supplies and materials. Classroom rental charges from CAC are high due to the high volume of registrants. Budget will be transferred from Other Professional Services to cover expenses through year-end.
- (D) There was no out of town travel incurred as of January 31, 2012. Budget for this expenditure is \$3,700.

Schedule M-4**PARKS AND RECREATION ENTERPRISE FUND****STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012****Cash flows from operating activities**

Operating income (loss)	\$ (1,681,611)	
Adjustments to reconcile operating income (loss) to net cash used by operating activities		
Depreciation	874	
Decrease (increase) in accounts receivable	67,313	
Decrease (increase) in due from other governments	125,026	
Increase (decrease) in accounts payable	(99,509)	
Increase (decrease) in accrued liabilities	(20,212)	
Increase (decrease) in deferred liabilities	(723,005)	
Net cash used by operating activities		\$ (2,331,124)

Cash flows from non-capital financing activities

Operating transfers in	1,927,529	
One-Time transfers	494,908	
Operating transfers out	(32,739)	
Net cash provided by noncapital financing activities		<u>2,389,698</u>

Net change in cash 58,574

Cash, and cash equivalents, July 1, 2011 (494,909)

Cash, and cash equivalents, January 31, 2012 \$ (436,335)

Schedule N

CAPITAL IMPROVEMENTS FUND
BALANCE SHEET
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012

ASSETS

Pooled Cash and Investments	\$ 21,783,046
Accounts Receivables	-
Total Assets	\$ 21,783,046

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable	\$ 249,602
Retainage Payable	106,569
Total Liabilities	356,171

Fund Equity

Retained Earnings - Reserved	21,426,875
Total Fund Equity	21,426,875

Total Liabilities and Fund Equity	\$ 21,783,046
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Schedule N-1**CAPITAL IMPROVEMENTS FUND****Statement of Revenues, Expenditures
and Changes in Fund Balances****FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED**

	<u>Actual</u>
Revenues:	
Other	\$ 250,069
Total revenues	250,069
Expenditures:	
Current:	
Salaries & Benefits	23,170
Materials, supplies and services	47,634
Professional and Technical	590,198
Capital outlay	134,571
Total expenditures	795,573
Excess (deficiency) of revenues over expenditures	(545,504)
Operating transfers in	1,162,914
Operating transfers out	(620,007)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (2,597)
Fund balance, July 1, 2011	21,429,472
Fund balance, January 31, 2012	\$ 21,426,875

Note 1: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule O**PROP C LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS****BALANCE SHEET****January 31, 2012****ASSETS**

Pooled Cash and Investments	\$	4,837,761
Interest Receivables		14,792
Total Assets	\$	4,852,553

LIABILITIES AND FUND EQUITY**Current Liabilities**

Retention Payable	\$	32,127
Total Liabilities		32,127

Fund Equity

Retained Earnings - Unreserved		4,820,426
Total Fund Equity		4,820,426

Total Liabilities and Fund Equity	\$	4,852,553
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Schedule O-1

**PROP C LOCAL RETURN/GRANTS AND DISCRETIONARY FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED**

	<u>Actual</u>
Revenues:	
Use of money and property	\$ 52,369
Charges for Services	903,552
Total revenues	955,921
Expenditures:	
Charges from Other Departments	386,804
Professional /Contract Services	335,390
Total expenditures	722,194
Excess (deficiency) of revenues over expenditures	233,727
Operating transfers out	(621,125)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ (387,398)
Fund balance, July 1, 2011	5,207,824
Fund balance, January 31, 2012	\$ 4,820,426

Schedule P

TORRANCE PUBLIC FINANCING AUTHORITY RESTRICTED CAPITAL PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	2004 A&B Certificates of Participation 43.13m Refunding Actual	2009A Certificates of Participation 18.8m Refunding Actual	Total
Revenues:			
Use of money and property	\$ 14,860	\$ -	\$ 14,860
Total revenues	14,860	-	14,860
Expenditures:			
Salaries & Benefits	-	-	-
Materials & Supplies	234	-	234
Professional Technical	122,624	-	122,624
Debt Service	-	-	-
Capital outlay	-	-	-
Total expenditures	122,858	-	122,858
Excess (deficiency) of revenues over expenditures	(107,998)	-	(107,998)
Other financing sources (uses):			
Operating transfers out	-	-	-
Operating transfers in	-	-	-
Proceeds from Bond	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(107,998)	-	(107,998)
Fund balance, July 1, 2011	\$ 1,853,471	\$ -	\$ 1,853,471
Fund balance, January 31, 2012	\$ 1,745,473	\$ -	\$ 1,745,473

Note: This fund is managed by a multi-year project budget, and therefore a budget to actual comparison has not been presented.

Schedule Q

DOWNTOWN REDEVELOPMENT CAPITAL PROJECT FUND *
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	<i>FY2012 Annual Budget</i>	<i>FY2012 Year-To-Date Actual Without Enc.</i>	<i>FY2012 Budget % Without Enc.</i>	<i>FY 2011 Annual Budget</i>	<i>FY 2011 Year-to-date Actual Without Enc.</i>	<i>FY 2011 Actual to Actual % Without Enc.</i>	<i>FY 2011 Prior Year Total</i>
Revenues:							
Use of money and property	\$ —	\$ 16,676	N/A	\$ 37,326	\$ 10,624	62.6%	\$ 16,966
Total revenues	—	16,676	N/A	37,326	10,624	62.6%	16,966
Expenditures:							
Salaries & employee benefits	58,400	35,940	61.5%	57,700	31,654	56.8%	55,712
Materials suppl & maintenance	11,058	107	1.0%	63,138	19,655	39.5%	49,786
Prof services/contracts & utilities	228,663	27,780	12.1%	228,663	47,817	49.4%	96,743
Travel, training & membership dues	9,861	2,808	28.5%	56,019	3,079	28.3%	10,888
Interdepartmental charges	15,517	9,051	58.3%	15,217	8,876	58.3%	15,217
Total expenditures	323,499	75,686	23.4%	420,737	111,081	48.6%	228,346
Excess (deficiency) of revenues over expenditures	(323,499)	(59,010)	18.2%	(383,411)	(100,457)	47.5%	(211,380)
Other financing sources (uses):							
Advances from the City	314,638	—	0.0%	312,561	184,098	58.9%	312,561
Operating transfers in	—	—	N/A	52,080	52,080	100.0%	52,080
Operating transfers out	(22,558)	(4,327)	19.2%	(22,638)	(15,030)	66.4%	(22,638)
Total other financing sources, net	292,080	(4,327)	-101.5%	342,003	221,148	64.7%	342,003
From Fund Balance	31,419	18,443	58.7%	41,408	—	N/A	—
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ (44,894)	N/A	\$ —	\$ 120,691	92.4%	\$ 130,623

* Redevelopment Agency was abolished on February 1, 2012

Schedule Q-1

LOW MODERATE INCOME HOUSING REDEVELOPMENT CAPITAL PROJECT FUND *
STATEMENT OF REVENUES AND EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	<i>FY 2012 Annual Budget</i>	<i>FY 2012 Year-To-Date Actual Without Enc.</i>	<i>FY 2012 Budget % Without Enc.</i>	<i>FY 2011 Annual Budget</i>	<i>FY 2011 Year-to-date Actual Without Enc.</i>	<i>FY 2011 Actual to Actual % Without Enc.</i>	<i>FY 2011 Prior Year Total</i>
Revenues:							
Use of money and property	\$ 33,000	\$ —	0.0%	\$ 180,000	\$ 67,392	N/A	\$ —
Others	—	42,500	N/A	103,800	39,374	53.3%	73,874
Total revenues	33,000	42,500	128.8%	283,800	106,766	144.5%	73,874
Expenditures:							
Salaries & employee benefits	214,250	106,699	49.8%	248,550	107,582	59.3%	181,391
Materials suppl & maintenance	166,342	69,849	42.0%	156,981	72,103	55.2%	130,550
Prof services/contracts & utilities	170,054	19,176	11.3%	170,054	5,176	55.0%	9,415
Travel, training & membership dues	1,100	—	0.0%	1,100	—	N/A	—
Interdepartmental charges	3,967	2,310	58.2%	3,901	2,268	58.1%	3,901
Total expenditures	555,713	198,034	35.6%	580,586	187,129	57.5%	325,257
Excess (deficiency) of revenues over expenditures	(522,713)	(155,534)	29.8%	(296,786)	(80,363)	32.0%	(251,383)
Other financing sources (uses):							
Proceeds from RDA Loans	172,376	172,376	0.0%	—	—	N/A	—
Operating transfers in	1,716,541	780,181	45.5%	1,894,953	745,603	43.8%	1,701,007
Operating transfers out	(18,800)	—	0.0%	(21,093)	(13,293)	63.0%	(21,093)
Total other financing sources, net	1,870,117	952,557	50.9%	1,873,860	732,310	43.6%	1,679,914
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 1,347,404	\$ 797,023	59.2%	\$ 1,577,074	\$ 651,947	45.6%	\$ 1,428,531

* Redevelopment Agency was abolished on February 1, 2012

Schedule R

TORRANCE PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	1998 Certificates of Participation 10.3m Refunding	2004 A&B Certificates of Participation 43.13m Refunding	2009A Certificates of Participation 18.8m Refunding	Total
Revenues:				
Use of money and property:				
Investment Earnings	\$ 15,686	\$ 609	\$ 7,031	\$ 23,326
Change in Fair Market Value	-	(11,110)	(5,050)	(16,160)
Rental Income	378,636	908,342	752,557	2,039,535
Total revenues	394,322	897,841	754,538	2,046,701
Expenditures:				
Bond and other loan principal	240,000	-	315,000	555,000
Bond and other loan interest	154,322	923,811	472,459	1,550,592
Total expenditures	394,322	923,811	787,459	2,105,592
Excess (deficiency) of revenues	-	(25,970)	(32,921)	(58,891)
Other financing sources (uses):				
Operating transfers out	-	-	-	-
Operating transfers in	-	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	-	(25,970)	(32,921)	(58,891)
Fund balances, July 1, 2011	\$ 553,085	\$ 2,804,076	\$ 1,293,790	\$ 4,650,951
Fund balance, January 31, 2012	\$ 553,085 (A)	\$ 2,778,106 (A)	\$ 1,260,869 (A)	\$ 4,592,060 (A)

(A) Represents required bond reserves held with the fiscal agent.

Schedule S

SKYPARK REDEVELOPMENT DEBT SERVICE FUND *

STATEMENT OF REVENUES & EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	<i>FY 2012 Annual Budget</i>	<i>FY 2012 Year-To-Date Actual Without Enc.</i>	<i>FY 2012 Budget % Without Enc.</i>	<i>FY 2011 Annual Budget</i>	<i>FY 2011 Year-to-date Actual Without Enc.</i>	<i>FY 2011 Actual to Actual % Without Enc.</i>	<i>FY 2011 Prior Year Total</i>
Revenues:							
Property taxes	\$ 670,888	\$ 321,603	47.9%	\$ 671,805	\$ 321,551	51.8%	\$ 620,313
Use of money and property	—	—	N/A	9,200	51	N/A	—
Total revenues	670,888	321,603	47.9%	681,005	321,602	51.8%	620,313
Expenditures:							
Administration	12,189	9,822	80.6%	10,240	11,950	100.0%	11,950
Bond and other loan principal	491,692	491,692	100.0%	295,225	295,225	100.0%	295,225
Bond and other loan interest	32,829	32,829	100.0%	56,919	56,919	100.0%	56,919
SERAF (Supplemental Educational Rev Aug Fd)	—	—	N/A	437,173	—	0.0%	437,172
Total expenditures	536,710	534,343	99.6%	799,557	364,094	45.4%	801,266
Excess (deficiency) of revenues over expenditures	134,178	(212,740)	-258.6%	(118,552)	(42,492)	23.5%	(180,953)
Other financing sources (uses):							
Operating transfers out - Low-Mod Housing Fund	(134,178)	(64,320)	47.9%	(133,946)	(64,310)	51.8%	(124,063)
Total other financing sources (uses)	(134,178)	(64,320)	47.9%	(133,946)	(64,310)	51.8%	(124,063)
From Fund Balance	—	—	N/A	252,498	106,802	42.3%	252,498
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ (277,060)	N/A	\$ —	\$ —	0.0%	\$ (52,518)

* Redevelopment Agency was abolished on February 1, 2012

Schedule S-1

DOWNTOWN REDEVELOPMENT DEBT SERVICE FUND *
STATEMENT OF REVENUES & EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	FY 2012 Annual Budget	FY 2012 Year-To-Date Actual Without Enc.	FY 2012 Budget % Without Enc.	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:							
Property taxes	\$ 1,711,443	\$ 914,441	53.4%	\$ 1,969,062	\$ 801,493	42.1%	\$ 1,902,370
Use of money and property	7,500	6,180	82.4%	72,713	28,969	139.3%	20,790
Total revenues	1,718,943	920,621	53.6%	2,041,775	830,462	43.2%	1,923,160
Expenditures:							
Administration	32,300	31,616	97.9%	30,600	31,631	93.5%	33,819
Bond and other loan principal	220,000	220,000	100.0%	210,000	210,000	100.0%	210,000
Bond and other loan interest	1,569,511	181,881	11.6%	3,814,653	371,440	17.5%	2,127,846
Other	980,657	522,173	53.2%	1,123,101	458,849	42.2%	1,087,629
Total expenditures	2,802,468	955,670	34.1%	5,178,354	1,071,920	31.0%	3,459,294
Excess (deficiency) of revenues over expenditures	(1,083,525)	(35,049)	3.2%	(3,136,579)	(241,458)	15.7%	(1,536,134)
Other financing sources (uses):							
Operating transfers out - Low Mod Housing	(342,289)	(182,888)	53.4%	(393,812)	(160,299)	42.1%	(380,474)
Operating transfers out - Downtown Capital	—	—	N/A	(52,080)	(52,080)	100.0%	(52,080)
Advances from county deferred share	1,716,154	—	0.0%	1,538,909	—	0.0%	1,575,169
Total other financing sources (uses)	1,373,865	(182,888)	113.3%	1,093,017	(212,379)	-18.6%	1,142,615
From Fund Balance	—	—	N/A	2,043,562	453,837	115.3%	393,519
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ 290,340	\$ (217,937)	175.1%	\$ —	\$ —	N/A	\$ —

* Redevelopment Agency was abolished on February 1, 2012

Schedule S-2

INDUSTRIAL REDEVELOPMENT DEBT SERVICE FUND *

STATEMENT OF REVENUES & EXPENDITURES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	FY2012 Annual Budget	FY2012 Year-To-Date Actual Without Enc.	FY2012 Budget % Without Enc.	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:							
Sales tax	\$ 1,687,000	783,027	46.4%	\$ 1,560,000	\$ 878,090	52.8%	\$ 1,662,056
Property tax Flip	545,900	275,054	50.4%	537,896	268,687	50.0%	537,374
Property taxes	6,200,371	2,389,809	38.5%	6,833,898	2,604,971	43.5%	5,982,355
Use of money and property	64,500	13,050	20.2%	113,228	—	0.0%	65,034
Total revenues	8,497,771	3,460,940	40.7%	9,045,022	3,751,748	45.5%	8,246,819
Expenditures:							
Administration	128,300	91,892	71.6%	105,000	123,657	98.2%	125,970
Bond and other loan principal	1,160,000	1,160,000	100.0%	1,075,000	1,579,000	146.9%	1,075,000
Bond and other loan interest	1,304,098	643,771	49.4%	1,365,109	672,611	49.3%	1,365,108
Other	2,232,134	834,418	37.4%	2,391,864	883,221	48.1%	1,836,885
Total expenditures	4,824,532	2,730,081	56.6%	4,936,973	3,258,489	74.0%	4,402,963
Excess (deficiency) of revenues over expenditures	3,673,239	730,859	19.9%	4,108,049	493,259	12.8%	3,843,856
Other financing sources (uses):							
Operating transfers out - General Fund	(2,433,165)	—	0.0%	(3,210,914)	(1,382,763)	43.1%	(3,210,914)
Operating transfers out - Low Mod Housing	(1,240,074)	(532,973)	43.0%	(1,366,780)	(520,994)	43.5%	(1,196,471)
Total other financing sources (uses)	(3,673,239)	(532,973)	14.5%	(4,577,694)	(1,903,757)	43.2%	(4,407,385)
From Fund Balance	—	—	N/A	469,645	275,682	58.7%	469,645
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ —	\$ 197,886	N/A	\$ —	\$ (1,134,816)	1208.7%	\$ (93,884)

* Redevelopment Agency was abolished on February 1, 2012

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA)**BALANCE SHEET
JANUARY 31, 2012**

	JANUARY 31, 2012
ASSETS	
Pooled Cash and Investments	\$ 529,255
Prepayments	522,667
<i>Total Current Assets</i>	1,051,922
Total Assets	\$ 1,051,922
LIABILITIES AND FUND EQUITY	
Current Liabilities	
Accounts Payable	221
<i>Total Current Liabilities</i>	221
Total Liabilities	221
FUND EQUITY	
Administration Fund Balance	\$ 452,545
Housing Assistance Fund Balance	599,156
<i>Total Fund Equity</i>	1,051,701
Total Liabilities and Fund Equity	\$ 1,051,922

**HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) - COMBINED
STATEMENT OF REVENUE AND EXPENSES - BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED**

Schedule T-1

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actuals 06/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:								
Use of money and property	\$ 10,000	\$ 7,005 (A)	70.1%	13,000	\$ 26,000	\$ 7,863	61.6%	\$ 12,756
Section 8 Fraud Recovery	12,000	3,822 (B)	31.9%	8,000	12,000	12,686	36.2%	35,064
Section 8 Voucher Program - HAP	6,100,000	3,476,839 (C)	57.0%	6,000,000	5,600,000	3,335,522	57.2%	5,836,418
Section 8 Voucher Program - Admin fees	696,000	341,321 (D)	49.0%	600,000	696,000	416,016	58.5%	711,306
Section 8 Admin Fee Earned - Port In	-	16,414 (E)	NA	25,000	-	12,864	40.6%	31,674
Total revenues	6,818,000	3,845,401	56.4%	6,646,000	6,334,000	3,784,951	57.1%	6,627,218
Expenditures:								
Salaries & Benefits	531,600	310,542	58.4%	531,600	528,100	297,666	60.5%	492,111
Materials & Supplies	16,134	4,229 (F)	26.2%	8,100	13,020	5,873	65.4%	8,982
Housing Assistance Payments (HAP)	6,180,000	3,419,456 (C)	55.3%	5,900,000	6,130,000	3,551,880	59.6%	5,957,418
Professional/Technical Services	40,000	5,497 (F)	13.7%	15,500	25,000	7,006	50.0%	14,006
Inter-departmental Charges	123,027	61,978 (G)	50.4%	103,000	96,100	56,220	59.9%	93,797
Others	5,000	- (F)	0.0%	1,500	5,000	841	100.0%	841
Capital outlay	17,800	- (H)	0.0%	3,500	8,300	1,703	100.0%	1,703
Total expenditures	6,913,561	3,801,702	55.0%	6,563,200	6,805,520	3,921,189	59.7%	6,568,858
Operating Income (Loss)	(95,561)	43,699	-146.0%	82,800	\$ (471,520)	\$ (136,238)	-233.4%	\$ 58,360
Fund balances - July 1, 2011	1,008,002	1,008,002	100.0%	1,008,002				
Fund balances - January 31, 2012	\$ 912,441	\$ 1,051,701	115.3%	\$ 1,090,802				

- (A) The budget for interest earnings was substantially decreased from \$26,000 to \$10,000, earnings are better than anticipated.
- (B) The Housing Authority (HA) is collecting on several fraud cases and half of the revenue is tracked in the Housing Assistance Payments Fund and the other half is recorded as part of Administration revenue. Revenues from fraud recovery are lower this year than anticipated.
- (C) Effective January 1 the Housing and Urban Development (HUD) is moving back to a cash management basis and will require annual year-end settlements. The HA will be required to remit excess funding back to HUD where it will be kept by HUD as a program reserve for the HA. The estimated funding level for the first quarter calendar year (CY) of 2012 is \$497,119 per month. Funding levels are reviewed every quarter by HUD and are based on the lesser of the annual funding amount \$497,119 or the quarterly housing assistance payments (HAP) reported in the Voucher management system (VMS) for the quarter six months prior. The first quarter January to March is based on the lesser of the annual estimated funding amount of \$497,119 or the HAP reported in VMS for July to September 2011 of \$513,799. The information on the HAP final funding levels for CY 2012 will be sent the first part of March.
- (D) Administration fees are received on a per unit basis but the total funding paid by the Housing and Urban Development (HUD) is reduced by a proration factor and is estimated to be 75% for CY 2012. The information on the Administration fee final funding levels for CY 2012 will be sent the first part of March.
- (E) The Housing Authority did not anticipate the revenue associated in administering the various Port-ins this fiscal year.
- (F) Materials, professional services, supplies and other expenditures are expended on as needed basis.
- (G) The budget for the indirect costs was estimated on higher labor costs, due in part to program changes of staff charging directly to the Section 8 program.
- (H) The capital outlay budget assists the Housing Authority to purchase replacement computers for the staff as the need arises.

Schedule T-2

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) STATEMENT OF REVENUE AND EXPENSES - HOUSING ASSISTANCE PAYMENTS (HAP) - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:								
Use of money and property	\$ 2,000	\$ 2,328 (A)	116.4%	\$ 5,000	\$ 18,000	\$ 3,347	69.1%	\$ 4,845
Section 8 Fraud Recovery - 1/2 HAP	6,000	1,911 (B)	31.9%	4,000	6,000	6,343	36.2%	17,532
Section 8 Voucher Program - HAP	6,100,000	3,476,839 (C)	57.0%	6,000,000	5,600,000	3,335,522	57.2%	5,836,418
Total revenues	6,108,000	3,481,078	57.0%	6,009,000	5,624,000	3,345,212	57.1%	5,858,795
Expenditures:								
Housing Assistance Payments (HAP)	6,180,000	3,419,456 (C)	55.3%	5,900,000	6,130,000	3,551,880	59.6%	5,957,418
Total expenditures	6,180,000	3,419,456	55.0%	5,900,000	6,130,000	3,551,880	59.6%	5,957,418
Operating Income (Loss)	(72,000)	61,622	185.6%	109,000	\$ (506,000)	\$ (206,668)	209.6%	\$ (98,623)
Fund balances - July 1, 2011	537,534	537,534	100.0%	537,534				
Fund balances - January 31, 2012	\$ 465,534	\$ 599,156	128.7%	\$ 646,534				

(A) The budget for interest earnings was substantially decreased from \$18,000 to \$2,000, earnings are better than anticipated.

(B) The Housing Authority (HA) is collecting on several fraud cases and half of the revenue is tracked in the Housing Assistance Payments Fund.
Revenues from fraud recovery are lower this year than anticipated.

(C) Effective January 1 the Housing and Urban Development (HUD) is moving back to a cash management basis and will require annual year-end settlements.

The HA will be required to remit excess funding back to HUD where it will be kept by HUD as a program reserve for the HA.

The estimated funding level for the first quarter calendar year (CY) of 2012 is \$497,119 per month. Funding levels are reviewed every quarter by HUD and are based on the lesser of the annual funding amount \$497,119 or the quarterly housing assistance payments (HAP) reported in the Voucher management system (VMS) for the quarter six months prior.

The first quarter January to March is based on the lesser of the annual estimated funding amount of \$497,119 or the HAP reported in VMS for July to September 2011 of \$513,799. The information on the HAP final funding levels for CY 2012 will be sent the first part of March.

Schedule T-3

HOUSING AUTHORITY OF THE CITY OF TORRANCE (HA) STATEMENT OF REVENUE AND EXPENSES - ADMINISTRATION - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual 06/30/2012	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
Revenues:								
Use of money and property	\$ 8,000	\$ 4,677	58.5%	\$ 8,000	\$ 8,000	\$ 4,516	57.1%	\$ 7,911
Section 8 Fraud Recovery - 1/2 Admin	6,000	1,911 (A)	31.9%	4,000	6,000	6,343	36.2%	17,532
Section 8 Voucher Program - Admin fees	696,000	341,321 (B)	49.0%	600,000	696,000	416,016	58.5%	711,306
Section 8 Admin Fee Earned - Port In	-	16,414 (C)	NA	25,000	-	12,864	40.6%	31,674
Total revenues	710,000	364,323	51.3%	637,000	710,000	439,739	57.2%	768,423
Expenditures:								
Salaries & Benefits	531,600	310,542	58.4%	531,600	528,100	297,666	60.5%	492,111
Materials & Supplies	16,134	4,229 (D)	26.2%	8,100	13,020	5,873	65.4%	8,982
Professional/Technical Services	40,000	5,497 (D)	13.7%	15,500	25,000	7,006	50.0%	14,006
Inter-departmental Charges	123,027	61,978 (E)	50.4%	103,000	96,100	56,220	59.9%	93,797
Others	5,000	- (D)	0.0%	1,500	5,000	841	100.0%	841
Capital outlay	17,800	- (F)	0.0%	3,500	8,300	1,703	100.0%	1,703
Total expenditures	733,561	382,246	52.0%	663,200	675,520	369,309	60.4%	611,440
Operating Income (Loss)	(23,561)	(17,923)	76.1%	(26,200)	\$ 34,480	\$ 70,430	44.9%	\$ 156,983
Fund balances - July 1, 2011	470,468	470,468	100.0%	470,468				
Fund balances - January 31, 2012	\$ 446,907	\$ 452,545	101.3%	\$ 444,268				

(A) The Housing Authority (HA) is collecting on several fraud cases and half of the collection is tracked in the Housing Admin revenues.

Revenues from fraud recovery are lower this year than anticipated.

(B) Administration fees are received on a per unit basis but the total funding paid by the Housing and Urban Development (HUD) is reduced by a proration factor and is estimated to be 75% for CY 2012. The information on the Administration fee final funding levels for CY 2012 will be sent the first part of March.

(C) The Housing Authority did not anticipate the revenue associated in administering the various Port-ins this fiscal year.

(D) Materials, professional services, supplies and other expenditures are expended on as needed basis.

(E) The budget for the indirect costs was estimated on higher labor costs, due in part to program changes of staff charging directly to the Section 8 program.

(F) The capital outlay budget assists the Housing Authority to purchase replacement computers for the staff as the need arises.

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Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures
and Changes in Fund Balances (Deficits)

For Seven Months Ended, January 31, 2012 - 58.7% Expired

	Parks and Recreation Facilities Fund	Seismic Education Fund	Street Lighting Assessment Fund	Drainage Improvement Fund	Parks, Rehabilitation and Open Space Fund
Revenues:					
Taxes	\$ 2,200	\$ —	\$ 658,951	\$ —	\$ —
Fines, forfeitures and penalties	—	—	—	—	45,230
Use of money and property	9,055	569	—	—	48,761
Intergovernmental	—	—	—	—	—
Other	—	—	—	—	—
Total revenues	<u>11,255</u>	<u>569</u>	<u>658,951</u>	<u>—</u>	<u>93,991</u>
Expenditures:					
Current:					
Salaries & Benefits	—	—	277,392	—	—
Materials & Services	—	—	193,466	—	13,009
Professional Technical	3,580	—	26,459	—	—
City Charges	—	—	—	—	—
Other	—	—	863,993	—	—
Capital outlay	—	—	—	—	33,360
Total expenditures	<u>3,580</u>	<u>—</u>	<u>1,361,310</u>	<u>—</u>	<u>46,369</u>
Excess (deficiency) of revenues over expenditures	7,675	569	(702,359)	—	47,622
Other financing sources (uses):					
Transfers in	—	—	702,359	—	—
Transfers out	—	—	—	—	—
Net change in fund balance	7,675	569	—	—	47,622
Fund balances, July 1, 2011	<u>1,492,282</u>	<u>34,414</u>	<u>27,061</u>	<u>19,444</u>	<u>3,197,045</u>
Fund Balances (deficits), January 31, 2012	<u>\$ 1,499,957</u>	<u>\$ 34,983</u>	<u>\$ 27,061</u>	<u>\$ 19,444</u>	<u>\$ 3,244,667</u>

Schedule U

Measure R Local Return Fund	Bicycle Transportation Fund	Development Impact Fund	Underground Storage Tank Fund	Geologic Hazard Abatement Fund	State Gas Tax Street Improvement Fund
\$ —	\$ —	\$ 192,440	\$ —	\$ —	\$ —
—	—	—	—	—	—
25,442	625	—	—	—	98,053
671,094	209,817	—	—	—	1,596,039
—	—	—	—	—	—
696,536	210,442	192,440	—	—	1,694,092
35,385	—	—	—	—	55,330
—	—	—	—	—	—
182,467	—	42,219	—	—	287,339
—	—	—	—	—	—
—	—	—	—	—	—
—	—	—	—	—	—
217,852	—	42,219	—	—	342,669
478,684	210,442	150,221	—	—	1,351,423
—	—	—	—	—	—
—	—	—	—	—	(610,480)
478,684	210,442	150,221	—	—	740,943
2,231,002	—	327,808	3,000	14,317	9,502,237
<u>\$ 2,709,686</u>	<u>\$ 210,442</u>	<u>\$ 478,029</u>	<u>\$ 3,000</u>	<u>\$ 14,317</u>	<u>\$ 10,243,180</u>

Selected Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)

For Seven Months Ended, January 31, 2012 - 58.7% Expired
(continued)

	Meadow Park Parking Lot District Fund	Police Inmate Welfare Fund	Grants and Donations Fund	Federal Housing and Community Development Fund
Revenues:				
Taxes	\$ —	\$ —	\$ —	\$ —
Fines, forfeitures and penalties	—	—	—	—
Use of money and property	—	515	6,943	—
Intergovernmental	—	—	2,797,520	—
Other	—	—	65,636	—
Total revenues	<u>—</u>	<u>515</u>	<u>2,870,099</u>	<u>—</u>
Expenditures:				
Current:				
Salaries & Benefits	—	—	781,938	—
Materials & Services	—	—	31,516	—
Professional Technical	9,625	—	6,393,075	—
City Charges	—	—	—	—
Other	—	—	3,173	—
Capital outlay	—	—	495,122	—
Total expenditures	<u>9,625</u>	<u>—</u>	<u>7,704,824</u>	<u>—</u>
Excess (deficiency) of revenues over expenditures	(9,625)	515	(4,834,725)	—
Other financing sources (uses):				
Transfers in	—	—	—	—
Transfers out	—	—	—	—
Net change in fund balance	(9,625)	515	(4,834,725)	—
Fund balances, July 1, 2011	<u>30,248</u>	<u>50,790</u>	<u>1,429,170</u>	<u>777,556</u>
Fund Balances (deficits), January 31, 2012	<u>\$ 20,623</u>	<u>\$ 51,305</u>	<u>\$ (3,405,555)</u>	<u>\$ 777,556</u>

Schedule U-Continued

Asset Forfeiture Fund	El Camino Training Fund	Proposition 1B Fund	AB2928 Traffic Congestion Relief Fund	DNA Sampling Fund	Total Nonmajor Special Revenue Fund
\$ —	\$ —	\$ —	\$ —	\$ —	853,591
86,044	—	—	—	—	131,274
31,363	—	—	7,258	—	228,584
—	—	—	—	—	5,274,470
—	21,478	—	—	3,510	90,624
<u>117,407</u>	<u>21,478</u>	<u>—</u>	<u>7,258</u>	<u>3,510</u>	<u>6,578,543</u>
—	—	132,944	—	—	1,282,989
23,266	—	—	—	—	261,257
34,307	—	55,440	1,574	—	7,036,085
—	—	—	—	—	—
1,869	420	—	—	—	869,455
25,896	—	—	—	—	554,378
<u>85,338</u>	<u>420</u>	<u>188,384</u>	<u>1,574</u>	<u>—</u>	<u>10,004,164</u>
32,069	21,058	(188,384)	5,684	3,510	(3,425,621)
—	—	—	—	—	702,359
—	(350,000)	—	—	—	(960,480)
<u>32,069</u>	<u>(328,942)</u>	<u>(188,384)</u>	<u>5,684</u>	<u>3,510</u>	<u>(3,683,742)</u>
4,665,276	691,319	775,853	445,374	66,000	25,780,196
<u>\$ 4,697,345</u>	<u>\$ 362,377</u>	<u>\$ 587,469</u>	<u>\$ 451,058</u>	<u>\$ 69,510</u>	<u>22,096,454</u>

Schedule V

CABLE & COMMUNITY RELATIONS/PUBLIC ACCESS/PEG

**BALANCE SHEET
JANUARY 31, 2012**

	Cable & Community Relations January 31, 2012	Public Access January 31, 2012	Public Education Government January 31, 2012	Total
ASSETS				
Pooled cash and investments	\$ 1,967,053	\$ 28,387	\$ 708,508	\$ 2,703,948
Accrued interest receivable	17,747	-	-	17,747
Total Assets	\$ 1,984,800	\$ 28,387	\$ 708,508	\$ 2,721,695
LIABILITIES AND FUND BALANCE				
Current Liabilities				
Accounts payable	\$ 288	\$ 140	\$ -	\$ 428
Accrued salaries and benefits	182,780	-	-	182,780 (A)
Total Liabilities	183,068	140	-	183,208
Fund Balance				
Unreserved	1,801,732	28,247	558,508	2,388,487
Reserved-Capital			150,000	150,000
Total Liabilities and Fund Balance	\$ 1,984,800	\$ 28,387	\$ 708,508	\$ 2,721,695

(A) Represents accrued vacation and sick leave as of June 30, 2011. This will be adjusted at year-end.

Schedule V-1

CABLE & COMMUNITY RELATIONS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget (A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Franchise fees	\$ 1,700,000	\$ 430,421 (B)	25.3%	\$ 1,700,000	\$ 1,500,000	\$ 416,042	24.6%	\$ 1,691,146
Miscellaneous	4,000	1,037	25.9%	4,000	28,600	803	15.8%	5,097
Total Operating Revenues	1,704,000	431,458	25.3%	1,704,000	1,528,600	416,845	24.6%	1,696,243
OPERATING EXPENSES:								
Salaries and employee benefits	901,022	492,344 (C)	54.6%	891,022	941,464	523,518	55.6%	941,558
Materials and supplies	43,163	19,370 (D)	44.9%	38,163	43,838	35,697	81.7%	43,699
Other professional services	106,929	47,983 (E)	44.9%	96,929	68,282	41,674	61.2%	68,132
Interdepartmental charges	76,528	44,646	58.3%	76,528	72,637	42,371	58.3%	72,637
Capital acquisitions	35,563	603 (F)	1.7%	35,563	24,671	19,418	78.7%	24,670
Litigation and claims	8,594	2,548 (G)	29.6%	4,794	4,365	2,548	58.4%	4,365
Other	8,500	2,914 (H)	34.3%	5,500	7,837	4,710	60.1%	7,837
Total Operating Expenses	1,180,299	610,408	51.7%	1,148,499	1,163,094	669,936	57.6%	1,162,898
OPERATING INCOME (LOSS)	523,701	(178,950)	-134.2%	555,501	365,506	(253,091)	-47.5%	533,345
NON-OPERATING REVENUES								
Interest income - Operations	50,000	34,821	69.6%	56,000	80,000	33,161	66.4%	49,973
Total Non-Operating Revenues	50,000	34,821	69.6%	56,000	80,000	33,161	66.4%	49,973
Income (Loss) before transfers	573,701	(144,129)	-125.1%	611,501	445,506	(219,930)	-37.7%	583,318
TRANSFERS OUT	(497,467)	(315,874) (I)	63.5%	(497,467)	(437,352)	(259,387)	59.3%	(437,352)
NET INCOME (LOSS)	\$ 76,234	\$ (460,003)	-703.4%	\$ 114,034	\$ 8,154	\$ (479,317)	-328.4%	\$ 145,966

- (A) Annual Budget includes prior year encumbrances budget of \$1,539.
- (B) Represents revenue for the first quarter. The second quarter revenue for \$432,909 was received in February 2012. If this amount was received in January, the percentage would have been 50.8%.
- (C) The actual salaries are lower than budget due to vacancy for 3 months for the staff assistant position. Also, the budget for overtime for \$20,800 was at 29.5% spent as of January 2012.
- (D) Materials and supplies actual are expected to be more in line with budget at year-end.
- (E) There is an encumbrance balance of \$21,847 as of January 2012. With the encumbrance budget to actual percentage would have been 65.3%.
- (F) Capital acquisitions are on as needed basis. There are no encumbrances as of January 2012.
- (G) There are no claims for Liabilities Under \$50,000 as of January 2012. Actual expense represents insurance and admin fee.
- (H) Membership and dues, local meetings and out-of-town travel remain under spent as of January 2012.
- (I) Transfers to Cable TV-Public Access fund and PC Replacement fund are recorded on monthly basis. Transfers to all the other replacement funds are fully recorded at the beginning of the fiscal year.

CABLE & COMMUNITY RELATIONS**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012****Cash flows from operating activities**

Operating income (loss)	\$	(178,950)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
(Increase) Decrease in accounts receivable		427,460	
Increase (Decrease) in accounts payable		<u>(3,013)</u>	
Net cash provided by operating activities	\$		245,497

Cash flows from investing activities

Interest on investments		<u>34,821</u>	
Net cash provided by investing activities			34,821

Cash flows from non-capital financing activities

Operating transfers out		<u>(315,874)</u>	
Net cash used by non-capital financing activities			<u>(315,874)</u>

Net change in cash			(35,556)
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Cash and cash equivalents, July 1, 2011			<u>2,002,609</u>
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Cash and cash equivalents, January 31, 2012	\$		<u><u>1,967,053</u></u>
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Schedule V-3

CABLE TV - PUBLIC ACCESS

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget (A)	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
TCTV workshops	\$ 412	\$ 135	32.8%	\$ 400	\$ 412	\$ 215	53.8%	\$ 400
Miscellaneous	2,500	290 (B)	11.6%	1,000	2,500	1,667	90.7%	1,837
Total Operating Revenues	2,912	425	14.6%	1,400	2,912	1,882	84.1%	2,237
OPERATING EXPENSES:								
Salaries and employee benefits	306,311	179,675	58.7%	306,311	309,326	180,261	58.3%	309,327
Materials and supplies	20,111	7,471 (C)	37.1%	16,611	16,416	8,644	52.7%	16,415
Other professional services	19,500	8,449 (D)	43.3%	18,200	16,815	9,730	57.9%	16,814
Interdepartmental charges	36,199	21,119	58.3%	36,199	34,357	20,048	58.4%	34,357
Capital outlay	25,282	301 (E)	1.2%	25,282	32,692	31,921	97.6%	32,692
Litigation and claims	4,427	1,316 (F)	29.7%	2,627	2,249	1,316	58.5%	2,249
Other	3,100	295 (G)	9.5%	1,300	1,790	456	25.5%	1,790
Total Operating Expenses	414,930	218,626	52.7%	406,530	413,645	252,375	61.0%	413,644
OPERATING INCOME (LOSS)	(412,018)	(218,201)	53.0%	(405,130)	(410,733)	(250,493)	60.9%	(411,407)
TRANSFERS IN	437,115	256,587	58.7%	437,115	421,400	248,205	58.9%	421,400
TRANSFERS OUT	(3,623)	(2,528) (H)	69.8%	(3,623)	(4,811)	(3,221)	67.0%	(4,811)
NET INCOME (LOSS)	\$ 21,474	\$ 35,858	167.0%	\$ 28,362	\$ 5,856	\$ (5,509)	-106.3%	\$ 5,182

- (A) Annual Budget includes prior year encumbrances budget of \$770.
- (B) Miscellaneous revenue is lower compared to last year because there was no revenue coming from workshop / fieldwork for this fiscal year.
- (C) Purchase of materials & supplies are on as needed basis but are expected to be utilized in the next months.
- (D) Professional services contracts are utilized as needed.
- (E) Capital acquisitions are on an as needed basis but will be utilized towards the end of the fiscal year.
- (F) There were no claims for Liabilities Under \$50,000 as of January 2012. Actual expense represents insurance and admin fee.
- (G) Membership and dues and local meetings remain under spent as of January 2012.
- (H) Transfers to PC replacement fund are recorded on a monthly basis. Transfers to all the other replacement funds are fully recorded at the beginning of the fiscal year.

CABLE TV - PUBLIC ACCESS**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012****Cash flows from operating activities**

Operating income (loss)	\$ (218,201)	
Adjustments to reconcile operating income (loss) to net cash used by operating activities:		
Increase (Decrease) in accounts payable	<u>(4,000)</u>	
Net cash used by operating activities		\$ (222,201)

Cash flows from non-capital financing activities

Operating transfers in	256,587	
Operating transfers out	<u>(2,528)</u>	
Net cash provided by non-capital financing activities		<u>254,059</u>

Net change in cash		31,858
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Cash and cash equivalents, July 1, 2011		<u>(3,471)</u>
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Cash and cash equivalents, January 31, 2012		<u><u>\$ 28,387</u></u>
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Schedule V-5

PUBLIC EDUCATION GOVERNMENT ACCESS (PEG) FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 6/30/2012	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Public Education Government Fees	\$ 320,000	\$ 86,085 (A)	26.9%	\$ 342,000	\$ 277,452	\$ 83,209	24.6%	\$ 338,557
Total Operating Revenues	320,000	86,085	26.9%	342,000	277,452	83,209	24.6%	338,557
Total Operating Expenses	-	-	N/A	-	-	-	N/A	-
OPERATING INCOME (LOSS)	320,000	86,085	26.9%	342,000	277,452	83,209	24.6%	338,557
Income (Loss) before transfers	320,000	86,085	26.9%	342,000	277,452	83,209	24.6%	338,557
OPERATING TRANSFERS OUT	(150,000)	(150,000) (B)	100.0%	(150,000)	-	-	N/A	-
FROM FUND BALANCE	150,000	150,000	100.0%	150,000	-	-	N/A	-
NET INCOME (LOSS)	\$ 320,000	\$ 86,085	26.9%	\$ 342,000	\$ 277,452	\$ 83,209	24.6%	\$ 338,557

(A) The actual revenue shown is for the first quarter. The second quarter revenue for \$86,913 was received in February 2012. If this amount was received and posted in January 2012, the percentage would have been 54.07%.

(B) Represents transfer to Capital Fund at 100%.

PUBLIC EDUCATION GOVERNMENT ACCESS (PEG) FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED JANUARY 31, 2012****Cash flows from operating activities**

Operating income (loss)	\$ 86,085
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
(Increase) Decrease in accounts receivable	<u>85,491</u>

Net cash provided by operating activities	\$ <u>171,576</u>
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Cash flows from non-capital financing activities

Transfers-out	<u>(150,000)</u>
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Net cash used by non-capital financing activities	<u>(150,000)</u>
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Net change in cash	<u>21,576</u>
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Cash and cash equivalents, July 1, 2011	<u>686,932</u>
--	-----------------------

Cash and cash equivalents, January 31, 2012	<u><u>\$ 708,508</u></u>
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ANIMAL CONTROL FUND**BALANCE SHEET**
January 31, 2012January 31, 2012**ASSETS****Current Assets**

Pooled Cash and Investments

\$ 36,087

Total Current Assets

36,087

Total Assets

\$ 36,087

LIABILITIES AND FUND EQUITY (Deficit)**Current Liabilities**

Accounts Payable

\$ 84

Total Liabilities

84

Fund Equity

Retained Earnings

36,003

Total Fund Equity

36,003

Total Liabilities and Fund Equity

\$ 36,087

Schedule W-1

ANIMAL CONTROL FUND

STATEMENT OF REVENUES AND EXPENSES-BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED, JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-To-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/12	FY 2011 Annual Budget	FY 2011 Year-To-Date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Animal licenses/permits	\$ 222,000	\$ 39,350 (A)	17.7%	\$ 222,095	\$ 222,000	\$ 49,288	21.7%	\$ 227,053
Other Revenues	-	4,429 (B)	N/A	7,200	-	6,209	61.8%	10,039
Total Operating Revenues	222,000	43,779	19.7%	229,295	222,000	55,497	23.4%	237,092
OPERATING EXPENSES:								
Salaries and employee benefits	343,600	144,025 (C)	41.9%	295,360	341,400	193,668	63.0%	307,475
Services and supplies	9,000	179 (D)	2.0%	5,993	6,000	4,242	70.7%	6,000
Other professional services	95,000	27,816 (E)	29.3%	70,562	95,000	33,693	46.5%	72,461
Training, travel and membership dues	3,000	1,937 (F)	64.6%	3,000	6,000	1,678	28.0%	6,000
Others-interdepartmental charges	15,367	8,967	58.4%	15,367	13,466	7,861	58.4%	13,466
Total Operating Expenses	465,967	182,924	39.3%	390,282	461,866	241,142	59.5%	405,402
OPERATING INCOME (LOSS)	(243,967)	(139,145)	57.0%	(160,987)	(239,866)	(185,645)	110.3%	(168,310)
OPERATING TRANSFERS IN FROM FUND BALANCE	243,967	139,145	57.0%	160,987	233,648	137,619	81.3%	169,359
	-	-	N/A	-	6,218	3,662	N/A	-
NET INCOME (LOSS)	\$ -	\$ -	N/A	\$ -	\$ -	\$ (44,364)	-4229.2%	\$ 1,049

(A) Animal License revenue is received in the last few months of the fiscal year after renewal notices are sent to pet owners in April.

(B) This amount represents impound fees collected from pet owners and \$155 in donations.

(C) Animal Control Supervisor position vacant since May 2011 was filled in December 2011.

(D) Materials and supplies are purchased as needed throughout the year.

(E) On October 20, 2009 Council approved a 5 year agreement with the County of Los Angeles for \$450,000. Expenditure includes payment of service from July through October. Invoices for November and December services totaling \$6,935 were paid in February.

(F) Expenditure is for animal law enforcement training and attendance at an animal care conference.

ANIMAL CONTROL FUND**STATEMENT OF CASH FLOWS
FOR SEVEN MONTHS ENDED, JANUARY 31, 2012****Cash flows from operating activities**

Operating loss	\$	(139,145)	
Adjustments to reconcile operating loss to net cash used by operating activities			
Decrease in accounts receivable		68,386	
(Decrease) in accounts payable		(32,299)	
Net cash used by operating activities			\$ (103,058)

Cash flows from noncapital financing activities

Operating transfers in		139,145	
Net cash provided by noncapital financing activities			139,145
Net change in cash			36,087

Cash, restricted cash and cash equivalents, July 1, 2011		-
--	--	---

Cash, restricted cash and cash equivalents, January 31, 2012	\$	36,087
--	----	--------

AIR QUALITY MANAGEMENT DISTRICT FUND**BALANCE SHEET****January 31, 2012**

	<u>January 31, 2012</u>
ASSETS	
Pooled Cash and Investments	\$ 123,851
Total Assets	\$ 123,851
 LIABILITIES AND FUND EQUITY	
 Total Liabilities	 \$ -
 Fund Equity	
Retained Earnings - Reserved	17,062 (A)
Retained Earnings - Unreserved	106,789
Total Fund Equity	123,851
Total Liabilities and Fund Equity	\$ 123,851

(A) Represents amount used to balance FY11-12 budget

AIR QUALITY MANAGEMENT DISTRICT FUND

Schedule X-1

STATEMENT OF REVENUES & EXPENSES-BUDGET TO ACTUAL
FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	<i>Annual Budget</i>	<i>Year-to-date Actual Without Enc.</i>	<i>% of Budget</i>	<i>Projected Actual at 06/30/12</i>	<i>FY 2011 Annual Budget</i>	<i>FY 2011 Year-to-date Actual Without Enc.</i>	<i>FY 2011 Actual to Actual % Without Enc.</i>	<i>FY2011 Prior Year Total</i>
Revenues:								
Use of money and property	\$ 2,000	\$ 1,310	65.5%	\$ 2,000	\$ 4,000	\$ 1,266	59.4%	\$ 2,132
Intergovernmental	170,000	52,338 (A)	30.8%	167,000	170,000	44,986	27.3%	164,780
Total revenues	172,000	53,648	31.2%	169,000	174,000	46,252	27.7%	166,912
Expenditures:								
Current:								
Salaries & benefits	42,680	21,675 (B)	50.8%	40,000	50,200	24,653	57.6%	42,807
Materials & supplies	78,662	34,858 (C)	44.3%	67,300	78,662	35,091	67.5%	51,987
Professional technical	67,720	36,540	54.0%	67,720	67,720	37,800	55.8%	67,720
Total expenditures	189,062	93,073	49.2%	175,020	196,582	97,544	60.0%	162,514
Excess (deficiency) of revenues over expenditures	(17,062)	(39,425)	231.1%	(6,020)	(22,582)	(51,292)	-1166.3%	4,398
From Fund Balance	17,062	10,015	58.7%	6,020	22,582	13,301	N/A	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ (29,410)	N/A	\$ -	\$ -	\$ (37,991)	-863.8%	\$ 4,398

(A) Second quarter revenue of \$39,905 was received in February 2012, which brings the percentage of actual to budgeted to be 54.3%.

(B) Regular salaries are low because employee took leave hours.

(C) Redemption of incentive program points has been low as of January. Encumbrances total \$34,343. With encumbrance percentage of actual to budget is 87.8%.

VAN POOL/RIDESHARE FUND
BALANCE SHEET
January 31, 2012

ASSETS

Pooled Cash and Investments	\$	11,569
-----------------------------	----	--------

Total Assets	\$	11,569
---------------------	----	--------

LIABILITIES AND FUND EQUITY**Current Liabilities**

Accounts Payable	\$	-
Total Current Liabilities		-

Fund Equity

Retained Earnings - Unreserved		11,569
--------------------------------	--	--------

Total Fund Equity		11,569
--------------------------	--	--------

Total Liabilities and Fund Equity	\$	11,569
--	----	--------

Schedule Y-1

VANPOOL/RIDESHARE FUND STATEMENT OF REVENUES AND EXPENSES - BUDGET TO ACTUAL FOR SEVEN MONTHS ENDED JANUARY 31, 2012 - 58.7% EXPIRED

	Annual Budget	Year-to-Date Actual Without Enc.	Budget % Without Enc.	Projected Actual at 06/30/12	FY 2011 Annual Budget	FY 2011 Year-to-date Actual Without Enc.	FY 2011 Actual to Actual % Without Enc.	FY 2011 Prior Year Total
OPERATING REVENUES								
Passenger Cash Fares	\$ 50,000	\$ 27,298 (A)	54.6%	\$ 50,000	\$ 65,000	\$ 31,811	55.6%	\$ 57,167
Other Grants	44,000	23,618 (B)	53.7%	42,000	45,200	24,269	59.0%	41,139
Total Operating Revenues	94,000	50,916	54.2%	92,000	110,200	56,080	57.0%	98,306
OPERATING EXPENSES								
Salaries and employee benefits	72,570	46,540 (C)	64.1%	76,500	70,741	11,005	22.2%	49,562
Services and supplies	183,760	87,721 (D)	47.7%	146,590	183,235	86,274	59.3%	145,429
Other professional services	5,600	3,045 (E)	54.4%	5,840	6,125	3,220	52.9%	6,090
Total Operating Expenses	261,930	137,306	52.4%	228,930	260,101	100,499	50.0%	201,081
OPERATING INCOME (LOSS)	(167,930)	(86,390)	48.6%	(136,930)	(149,901)	(44,419)	43.2%	(102,775)
Transfer In	167,930	97,959	58.3%	167,930	154,900	93,364	90.8%	102,775
Transfer Out	(31,000)	(31,000) (F)	100.0%	(31,000)	-	-	N/A	-
Return to Prop C Fund	-	-	N/A	-	(4,999)	-	N/A	-
From Fund Balance	31,000	31,000	100.0%	-	-	-	N/A	-
NET INCOME (LOSS)	\$ -	\$ 11,569	N/A	\$ -	\$ -	\$ 48,945	N/A	\$ -

- (A) January's passenger fares of \$4,595 were received in February 2012. If received in January, the percentage would be 63.8%.
- (B) Fewer employees are participating in the vanpool program therefore not all of the rented vehicles meet Metro's usage reimbursement requirement. Budget will be adjusted for FY2012-13.
- (C) Salaries are high because no allocation for sick/vacation accrual charge was included in the budget. The budget will be adjusted for FY2012-13. A budget transfer will be posted in February from services and supplies savings.
- (D) Redemption of points for the Rideshare incentive program has been low as of January 31, 2012.
- (E) Fewer than expected monthly passes were purchased.
- (F) Council item 12A dated January 10, 2012 for capital FY2011-2012 Rideshare Application.

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Program Modifications

Honorable Chair and Members
Of the Finance and Governmental Operations Committee
City Hall
Torrance, California

Members of the Committee

**SUBJECT: Request to appropriate funds from the sale of
Centennial promotional items for the Torrance Centennial FEAP 739**

Amount: \$62,540.23

RECOMMENDATION

Recommendation of the City Manager that City Council approve an appropriation of \$62,540.23 from the sale of Centennial promotional items for the Torrance Centennial – FEAP 739.

Funding

Funding available from the sale of Centennial promotional items which include Lights, Camera, Action registrations and sale of commemorative Centennial bricks.

BACKGROUND AND ANALYSIS


The Torrance Centennial committee was established May 19, 2009 to plan and recommend fun-filled and educational events in the City to celebrate the City's first 100 years. In order to meet the financial requirements of putting on such a celebration, the City is contributing a total of \$100,000 paid into the Centennial budget over four years. To date, the City's contribution is \$75,000.

In order to supplement funds provided by the City, The Centennial Committee includes a fundraising subcommittee whose role is to seek out additional funds to cover the expenses that will be incurred for a city-wide celebration. Funds have been collected for registration for Lights, Camera, Action, sale of commemorative bricks for the construction of the Centennial Plaza and sale of promotional items. With the approval of this appropriation, the total Centennial budget is \$308,540.23.


Upcoming Centennial celebrations include: community parade, dedication of the Torrance Centennial Plaza and the Birthday Bash.

The Centennial Committee will continue a concerted effort to raise funds for the construction of the Centennial plaza and to ensure a successful, memorable and fun-filled event for our community to enjoy.

Respectfully submitted,


Eleanor B. Jones
Management Associate
Staff Liaison to the Centennial Committee

CONCUR:


LeRoy J. Jackson
City Manager

City Council Finance and Governmental
Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: City Manager – Human Resources Department Reorganization

RECOMMENDATION

Recommendation of the City Manager that the Council Finance and Governmental Operations Committee reapprove the following staffing change:

- Add .5 Personnel Technician

Funding

Not applicable.

BACKGROUND AND ANALYSIS

At the Council Finance and Governmental Operations Committee meeting of December 13, 2011, staff presented the Human Resources Department Reorganization plan with several staffing changes. The initial item was submitted to the Finance Department prior to the meeting, however, a last minute change was made to recommend the transfer of the 1.0 Human Resources Analyst assigned to Civil Service to Human Resources Department Support Division and to add a .5 Personnel Technician to assist with volunteer recruitment and Civil Service support to the Civil Service Manager.

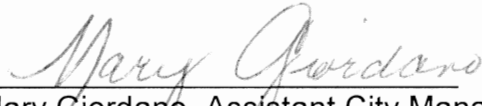
The change was reflected in the PowerPoint Presentation shared with the Finance and Governmental Operations Committee on December 13, 2011, however, due to an oversight, was not updated in the City Council Item 12E (Attachment A) which was approved on December 20, 2011. The correct slide is included in this item as Attachment B. The addition of the .5 Personnel Technician yielded a net budget savings of \$115,050, which is \$10,000 less than the \$125,000 budget reduction approved by the City Council as part of the 2011-13 City Operating budget. Since the Human Resources reorganization is a staffing plan in progress, staff anticipates future transition budget savings that will result from staffing modifications related to the new Human Resources Administrator position.

RECOMMENDATION

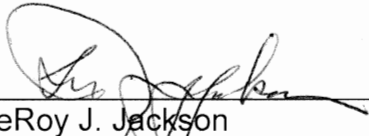
The City Manager recommends the reapproval for the addition of a .5 Personnel Technician to the Civil Service Division to formalize the action taken.

Respectfully submitted,

LeROY J. JACKSON
CITY MANAGER

By 
Mary Giordano, Assistant City Manager

CONCUR:


LeRoy J. Jackson
City Manager

Attachments A) Excerpt from City Council Item 12E on December 20, 2011.
B) Updated HR Staffing Plan

Committee Meeting of
December 13, 2011

City Council Finance and Governmental
Operations Committee
City Hall
Torrance, California

Members of the Committee:

SUBJECT: City Manager – Human Resources Department Reorganization

RECOMMENDATION

Recommendation of the City Manager that the Council Finance and Governmental Operations Committee approve the Human Resources Department Reorganization and approve the following staffing changes:

- a) Transition the HR Department to a Division within the City Manager's Office
- b) Move the Risk Management Division of HR to the Finance Department
- c) Expand the scope of the Civil Service Division
- d) Delete 1.0 Human Resources Director
- e) Add 1.0 Personnel Technician

Funding

Not applicable.

BACKGROUND AND ANALYSIS

On June 21, 2011, as part of the 2011-13 City Operating Budget, your Honorable Body approved the reduction of 1.0 Human Resources position valued at \$125,000 pending the reorganization of the Human Resources Department. Upon further review of the Human Resources (HR) Department operations, the City Manager recommends the following key changes:

- Transitioning the HR Department to a Division within the City Manager's Office
 - Modifying the existing organization structure to develop two major HR Divisions; HR Operations and Department Support.
- Moving the Risk Management Division of HR to the Finance Department.
- Expanding the scope of the Civil Service Division to focus on marketing and recruitment of City staff and volunteers.

As part of the HR reorganization plan, the City Manager proposes utilizing existing Capital Improvement funds earmarked for the Human Resources Building Remodel in order to move the Risk Management division to the second floor of the City Hall East Annex and to remodel the existing HR building. The additional space that will become available as a result of moving Risk Management, will provide the opportunity to utilize the existing space to create additional office space for privacy, classrooms for testing, conference rooms, a dedicated lunch area and an expanded lobby. These changes will enhance the existing work environment, while creating a new entry for prospective employers and volunteers. The preliminary site plan is included as part of the attached HR Reorganization Plan.

The budget impacts of the proposed HR Reorganization are as follows:

- | | |
|--|-----------------|
| • Delete 1.0 FTE Human Resources Director position | <\$240,000> |
| • Add 1.0 FTE Personnel Technician position | <u>\$83,300</u> |
| Budget Savings | <\$156,700> |

With the implementation of the proposed HR Reorganization, the City will position itself to become an "Employer of Choice." The new HR model will include the HR Operations and HR Department Support functions. HR Operations will provide employees with a centralized avenue to seek assistance with transactional duties such as on-boarding, common term in Human Resources when an employee starts employment with the City. Additional functions will include providing assistance with processing benefit changes, obtaining mandatory training and all employee outreach functions. The HR Department Support function will focus on building close working relationships and awareness of individual Department needs. HR Analysts will be assigned to specific departments with the goal of assisting with exam plan development and exam results analysis, employee performance management, classification studies and compensation analysis.

The expansion of Civil Service with emphasis added on marketing and recruitment will provide an avenue for the City to actively engage in the marketplace to promote the City and to draw new talent to ensure the needs of the community are constantly met with a diverse, capable, and professional City workforce. The Civil Service team will work closely with employees leaving or retiring from the City utilizing the exit interviews process to seek feedback regarding their experience. Staff will also engage in workforce analysis to provide Department Heads with valuable information to assist with attrition planning as key positions are vacated as a result of retirements.

A key component of the reorganization is automation and visioning. With the advent of electronic communications and storage, a dedicated Senior HR Analyst will spend half of their time working to transition functions and paperwork on-line. Staff will rely on innovative measures already implemented in the City, at other agencies and the private sector to streamline processes such as processing requisitions, evaluations and benefit registrations.

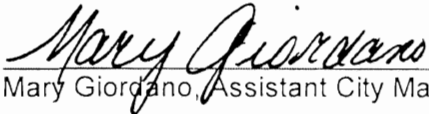
RECOMMENDATION

The City Manager recommends the approval of the Human Resources Department reorganization inclusive of the following key actions; creation of a Human Resources

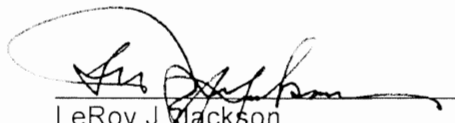
Division reporting to the City Manager, the move of the Risk Management Division to the Finance Department, the remodel of the HR Building and the second floor of the East Annex.

Respectfully submitted,

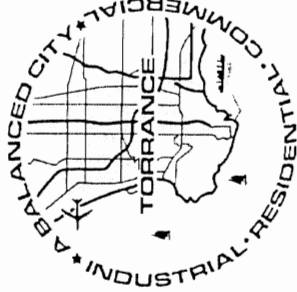
LeROY J. JACKSON
CITY MANAGER

By 
Mary Giordano, Assistant City Manager

CONCUR:

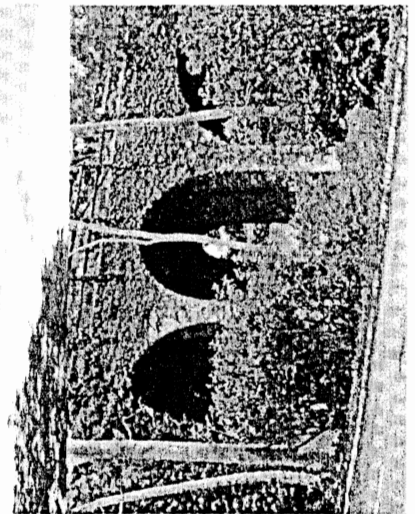
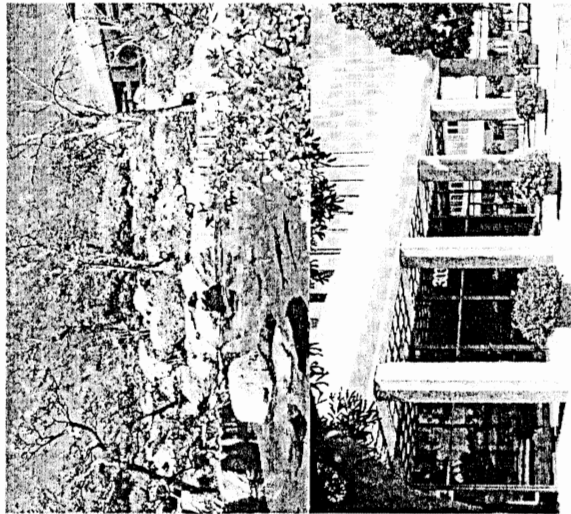
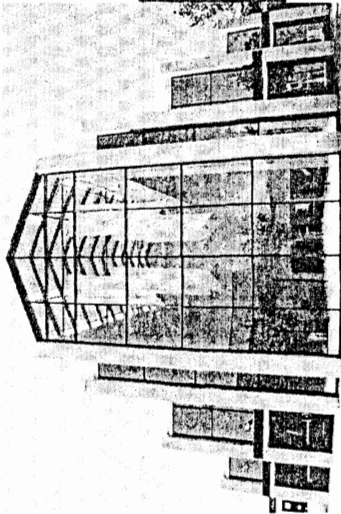

LeRoy J. Jackson
City Manager

Attachments: HR Reorganization Plan



Human Resources

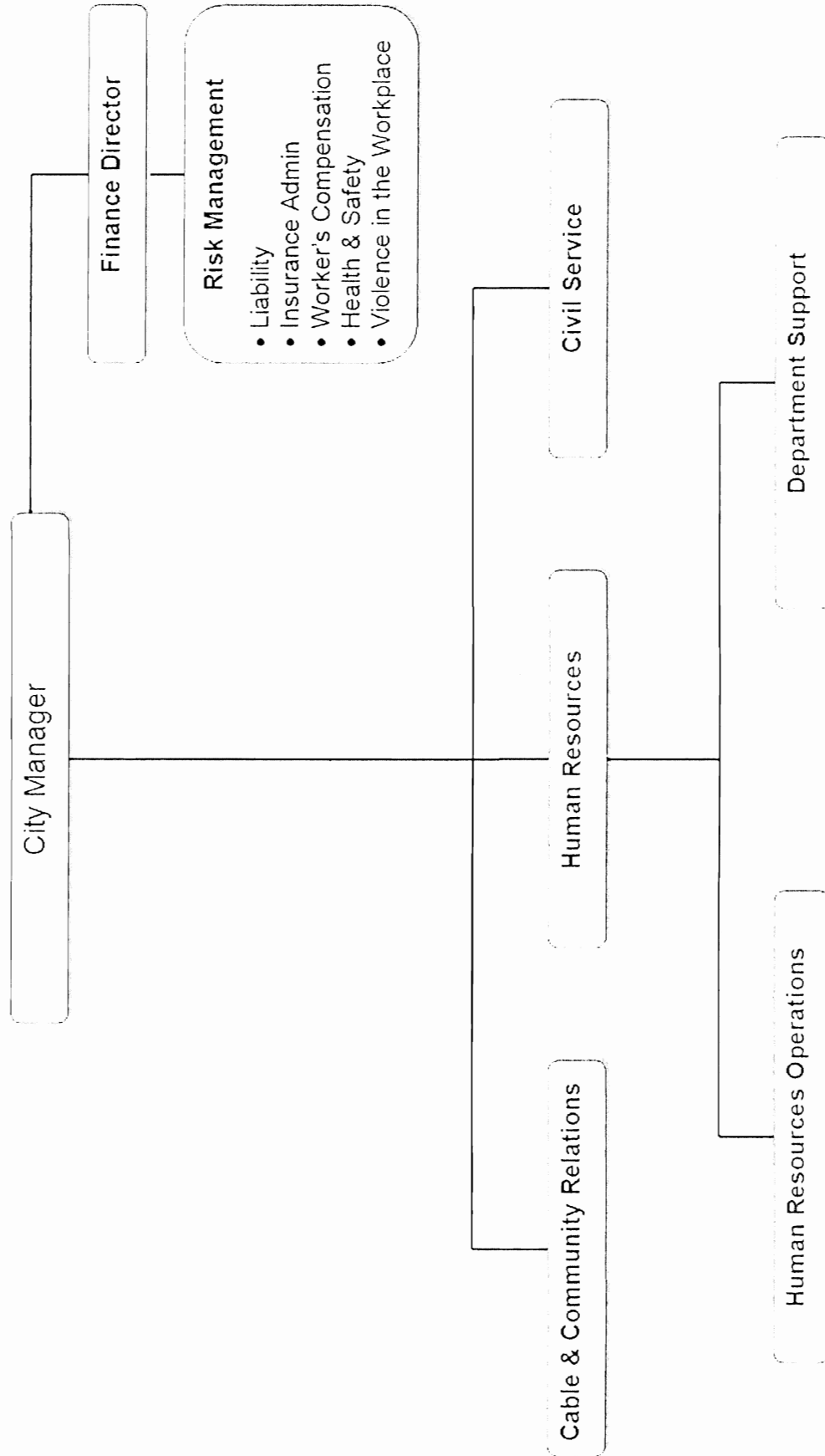
REORGANIZATION PLAN



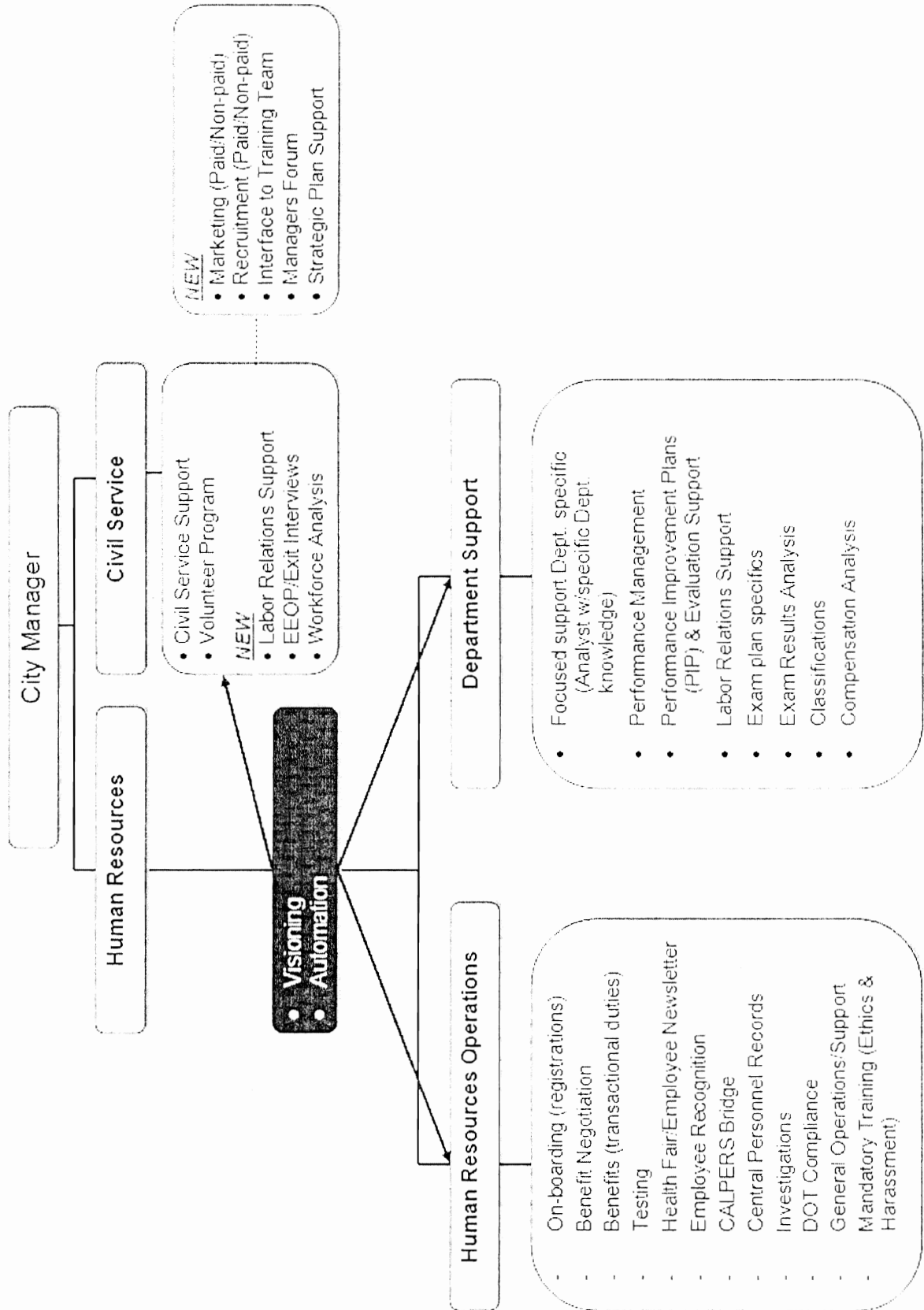
Background

- **2011-12 Budget Action**
 - City Council Authorized Reorganization of the HR Department
 - Transition from Department to Division under City Manager
 - Move Risk Management under Finance Department
 - Expand scope of Civil Service
 - Marketing
 - Recruitment
 - HR Major Functions
 - HR Operations
 - Department Support
 - Remodel Project Chronology
 - Phase I: Move Risk Management to 2nd Floor of East Annex
 - Phase II: HR Building Remodel

HR Division

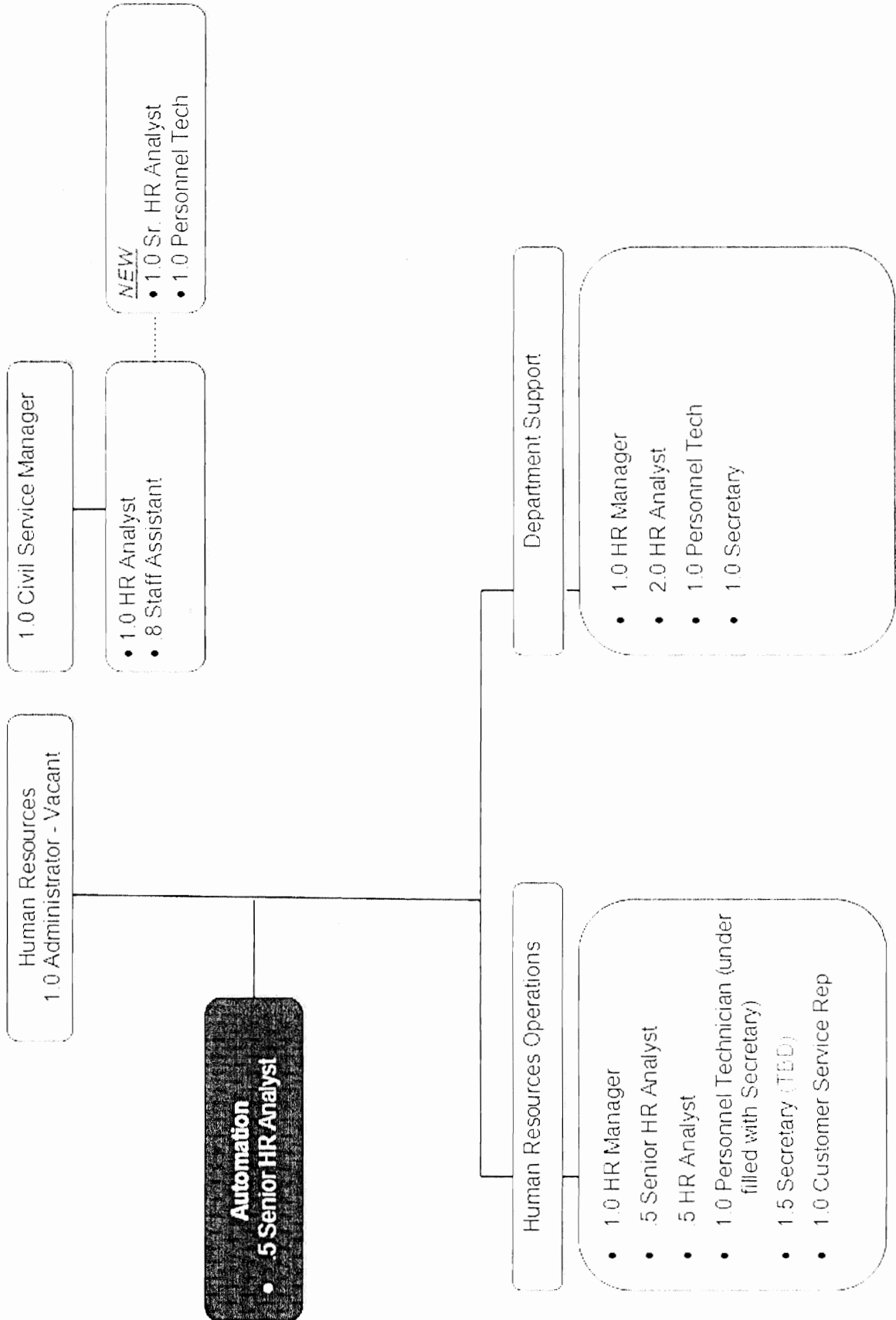


HR & Civil Service

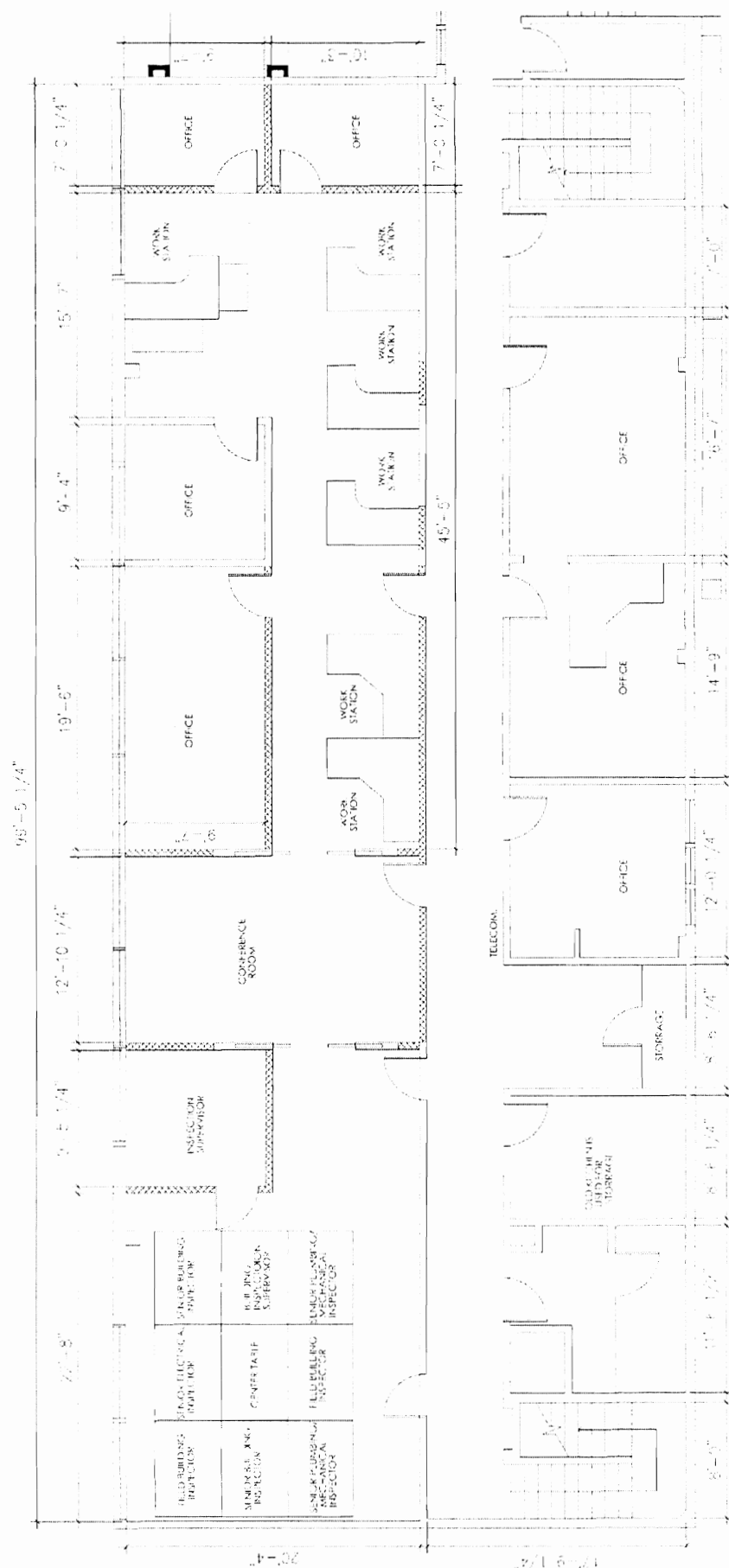


STAFFING

** Includes adding 1.0 Personnel Technician*



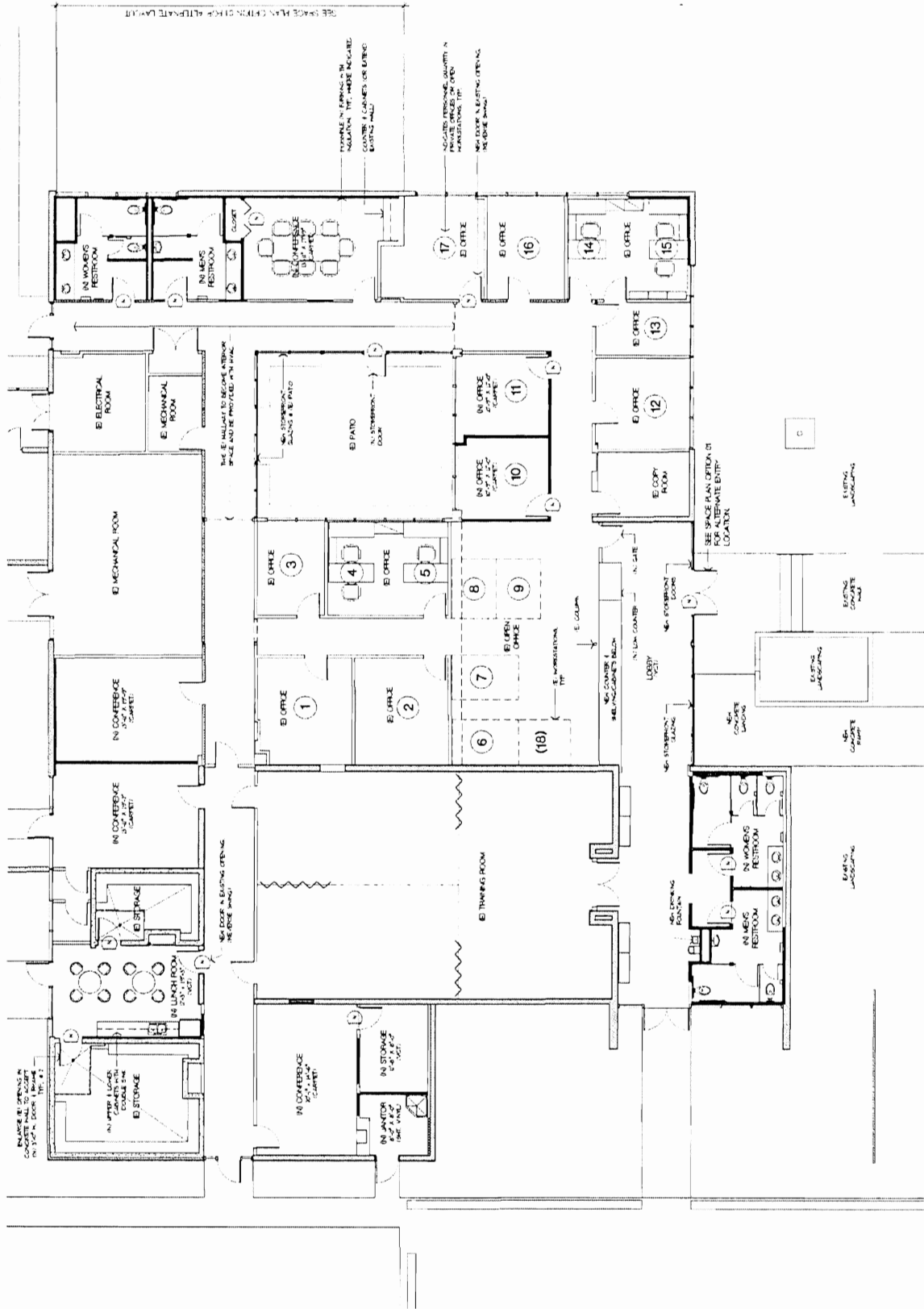
Space Plan - Risk Management



Remodel Goals

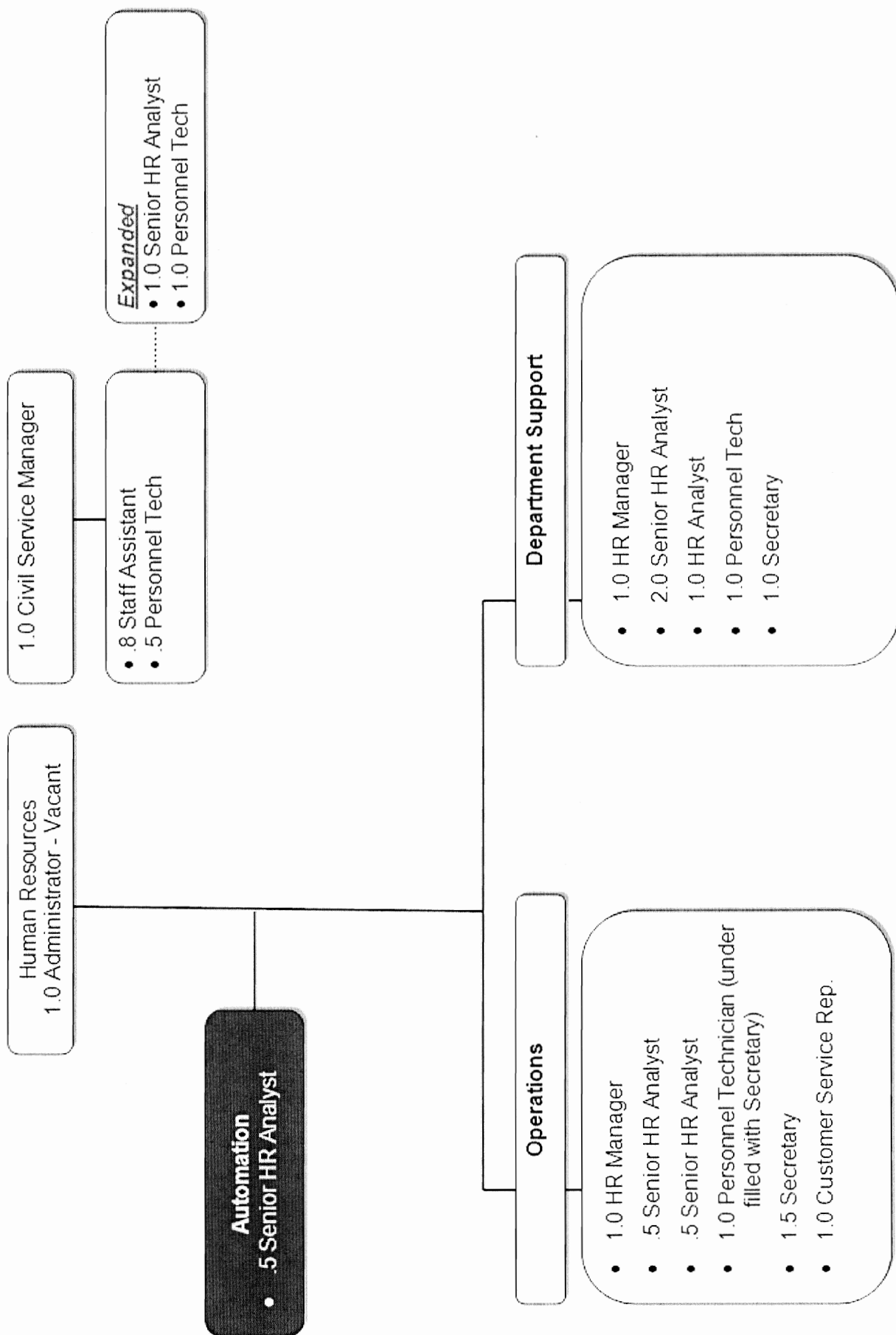
- **Remodel Goals:**
 - Expand lobby with new storefront doors
 - Create office like atmosphere throughout existing building
 - Enclose the patio with storefront windows
 - Add carpet and lighting to existing hallways
 - Create additional conference rooms
 - Create additional office space for privacy
 - Dedicated lunch room
 - Enhance current Training Room
 - Add new concrete ramp and landing

Space Plan - HR & Civil Service



STAFFING PLAN IN PROGRESS

** Includes adding 1.5 Personnel Technician*



Honorable Chair and Members
of the Finance and Governmental Operations Committee
City Hall,
Torrance, California

Members of the Committee

SUBJECT: Request to appropriate Funds from the Reserve for Self-Insurance Fund

Amount: \$775,000

RECOMMENDATION

Recommendation of the Finance Director that City Council approve an appropriation of \$775,000 from the Reserve for Self-Insurance Fund

Funding

Funds are available in the Reserve for Self-Insurance Fund.

BACKGROUND AND ANALYSIS

The City self-insurers workers' compensation claims up to \$2,000,000 per occurrence. The City charges claims that are under four-years to departmental budgets, and claims over four years to the Self-Insurance Fund. Staff is anticipating a shortfall in the appropriation for FY 2011/12 for claims over four-years. Workers' compensation costs for claims under four-years are within budget.

The cost for claims over four years has increased over several years due to the cost of life-time medical care associated with these claims, such a medical expenses for medications, tests, surgeries and medical devices/aids. Many of the life-time medical care claims are for retired employees who are in their 60's and 70's, with some injuries dating back to the 1970's and 1980's. Because life expectancy is increasing and the medical field continues to make advancements in treatment, many injured workers' are having multiple procedures and surgeries.

A Summary of the cost of claims over four-years, since FY 2007/08 is as follows:

<u>FISCAL YEAR</u>	<u>OVER FOUR YEARS</u>
2007/08	\$2,166,598
2008/09	\$1,674,233
2009/10	\$2,083,155
2010/11	\$2,317,127
2011/12	\$2,275,000*

* = estimated

A Self-Insurance Reserve was established and is available for fluctuation in claims costs. Therefore the transfer of \$775,000 is recommended. The projected cash balance, including this request, of the Self-Insurance Fund at year-end is \$6,600,000.

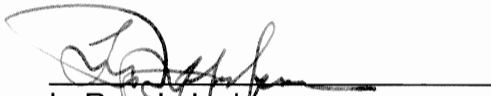
Respectfully Submitted

Eric E. Tsao
Finance Director

By 
Randall Sellers, Risk Manager



Eric E. Tsao
Finance Director



LeRoy J. Jackson
City Manager

Type of Project	Traffic and Transportation
Project Location	Cravens Avenue (between Torrance Blvd & Carson Street), and other Downtown Torrance streets
Project Title	Downtown Torrance Pedestrian Improvement Project
Submitting Department	Community Development - Redevelopment Activities
Prepared By	MARTOS, MARINA N.
Preparer's Email	mmartos@torranceca.gov
Managing Department	Community Development - Redevelopment Activities
Project Leader	CHUN, CAROLYN M.
Project Leader's Email	cchun@torranceca.gov
Project Start Date	01/10/2012
Estimated Completion Date	12/31/2012

Project Request Status	Approved
Approved Project Status	Active

Description

This project is an effort to stimulate and revitalize the downtown area by making it a more attractive and viable area for pedestrians. We have identified a couple of major goals associated with this project. First, an improved pedestrian atmosphere in the downtown area would increase locally and regionally serving transit lines. Secondly, increased pedestrian activity within the project area would help stimulate the local business economy. The streets bordering the project area serves three different Torrance Transit bus routes (Lines 1, 3, and 5). These routes intersect at three points in the downtown area, making this a prime location to improve the connections to the South Bay and Downtown Los Angeles. Improved pedestrian connectivity between each of these routes will help boost transit ridership, reduce automobile dependency, and attract more patrons to the downtown area, and will help establish Downtown Torrance as a central point for regional and local activity. Cravens Avenue, where the majority of the sidewalk and pedestrian improvements are to be made, is one such street that serves as an important connection between two major transit thoroughfares (Carson Street and Torrance Boulevard). This project specifically seeks to rehabilitate the sidewalks along Cravens Avenue, as well as add and upgrade existing street furniture and signage throughout the Downtown commercial core. This project was awarded funding in the 2009 Metropolitan Transit Authority's Call for Projects, with a commitment of matching funds from the City. The total project cost at the time of the Call for Projects application was estimated at \$1.118 million, with a City match of \$325,000. The design engineering cost associated with this project was not included in the Call for Projects cost or proposal, and staff estimates an additional \$100,000 will be needed to complete necessary design work.

Justification

Cravens Avenue serves as an important link between the Downtown Torrance commercial, residential, and recreational uses. Cravens connects to two major streets (Carson Street and Torrance Boulevard) that serve as regional thoroughfares for automobile and public transit. The project area encompasses the portion of Cravens Avenue between Torrance Boulevard and Carson Street (approximately 0.5 mile in length), which houses a senior center, senior apartments, condominiums, a mixed-use development, neighborhood park, office space, restaurants, retail, and is within walking distance of Torrance High School. Currently, the sidewalks change width each block, ranging in width from under 4' wide to 13' wide. Sidewalks are either overly landscaped creating a narrow passageway for pedestrians, or feature little-to-no landscaping creating a stark and unpleasant experience. As a result, there is no cohesive streetscape identity on Cravens Avenue, resulting in an unpredictable and inconsistent pedestrian environment. There are also a high number of handicapped and youth users on the street due to its connections to the South Bay Home Health Care Clinic, Bartlett Senior Center, senior apartments, and Torrance High School. These factors make it necessary to provide a safer and more pleasant pedestrian experience on Cravens Avenue that will better connect the street to surrounding communities.

Impact of Non-Approval

Non-approval of these funds would result in the loss of awarded grant funds, and further delayed the rehabilitation and revitalization of Cravens Avenue and Downtown Torrance in general.

Other Alternatives Considered

As this project was awarded in the 2009 Metro Call for Projects, funding is contingent upon the local match estimated at the time the application was submitted. If match funds are not provided, the project dissolves.

NOTE FROM FINANCE: Since RDA is going to be abolished in February 2012, funding in the amount of \$100,000 is pending availability (Originally, the \$100,000 will come from RDA Downtown operating budget).

Department Priority	5	Medium
Recommendation	Recommended	Recommendation Last Changed
		Operator
		REYES, JOYCE I.
		Date/Time
		1/12/2012 3:44:09 PM
Initial Funding		
Council or City Manager Approval Date	01/10/2012	
Council or City Manager Approval Item	12A	
Council or City Manager Approval Amount	\$1,218,000	

Cost Activity By Fiscal Year

Original Budget Amount: \$1,218,000			Created By: MARTOS, MARINA N. Created Date: 3/3/2011 10:32:47 AM			
	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Project Management		\$89,000				\$89,000
Design	\$100,000					\$100,000
Construction Management		\$89,000				\$89,000
Construction		\$940,000				\$940,000
Environmental Assessment						\$0
Right-of-way						\$0
Inspection						\$0
Sub-Total:	\$100,000	\$1,118,000	\$0	\$0	\$0	\$1,218,000

Cost Activity By Financing Source

Original Budget Amount: \$1,218,000			Created By: MARTOS, MARINA N. Created Date: 3/3/2011 10:32:47 AM		
Financing Source	To Be Determined	MTA Grant	Gas Tax 2105 Fund		Total
Project Management			\$89,000		\$89,000
Design	\$100,000				\$100,000
Construction Management			\$89,000		\$89,000
Construction		\$793,000	\$147,000		\$940,000
Environmental Assessment					\$0
Right-of-way					\$0
Inspection					\$0
Sub-Total:	\$100,000	\$793,000	\$325,000	\$0	\$1,218,000

Project Timeline

Original Timeline		Created By:	MARTOS, MARINA N.		
		Created Date:	3/3/2011 10:32:47 AM		
Description	2011-12	2012-13			
Project Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Design	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environmental Assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Right-of-way	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inspection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Financing Source - Details

Original Budget Amount: \$1,218,000		Created By: MARTOS, MARINA N. Created Date: 3/3/2011 10:32:47 AM					
Financing Source	Council Approved Date/Time	2011-12	2012-13	2013-14	2014-15	2015-16	Total
MTA Grant	01/10/2012 12A		\$793,000				\$793,000
Gas Tax 2106 Fund	01/10/2012 12A	\$100,000					\$100,000
Gas Tax 2105 Fund	01/10/2012 12A		\$325,000				\$325,000
Sub-Total:		\$100,000	\$1,118,000	\$0	\$0	\$0	\$1,218,000

Financing Source Options

Original Budget		Created By:	MARTOS, MARINA N.
Total Amount: \$1,218,000	Total Percentage: 100%	Created Date:	3/3/2011 11:14:03 AM
Financing Source	Percent	Amount	
Gas Tax 2105 Fund	27%	\$325,000	
MTA Grant	65%	\$793,000	
Gas Tax 2106 Fund	8%	\$100,000	

Financing Source - Summary

Project Budget By Funds (Excluding Ongoing cost)

Total Project Cost: \$1,218,000

Financing Source	Life to Date Appropriation	Total Amount
Gas Tax 2105 Fund	\$0	\$325,000
Gas Tax 2106 Fund	\$100,000	\$100,000
MTA Grant	\$0	\$793,000
Grand Total:	\$100,000	\$1,218,000

By Sources/By Fiscal Year (Excluding Ongoing cost)

Total Project Cost: \$1,218,000

Financing Source	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Gas Tax 2106 Fund	\$100,000					\$100,000
MTA Grant		\$793,000				\$793,000
Gas Tax 2105 Fund		\$325,000				\$325,000
Sub-Total:	\$100,000	\$1,118,000	\$0	\$0	\$0	\$1,218,000

Original Budget

Amount: \$1,218,000

Created By:

MARTOS, MARINA N.

Created Date:

3/3/2011 10:32:47 AM

Financing Source	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Gas Tax 2106 Fund	\$100,000					\$100,000
MTA Grant		\$793,000				\$793,000
Gas Tax 2105 Fund		\$325,000				\$325,000
Sub-Total:	\$100,000	\$1,118,000	\$0	\$0	\$0	\$1,218,000

Quarterly Updates

Month

Year

No Update Submitted

Budget vs. Expenses

Last Payroll Update

Budget As Of

Expenses

Life To Date Budget - Posted	<input type="text"/>
Life To Date Budget - Unposted	<input type="text"/>
Total Life To Date Budget	<input type="text"/>
Actual	<input type="text"/>
Encumbrances	<input type="text"/>
Unposted Transaction	<input type="text"/>
Available Budget	<input type="text"/>

Revenue

Life To Date Budget - Posted	<input type="text"/>
Life To Date Budget - Unposted	<input type="text"/>
Total Life To Date Budget	<input type="text"/>
Actual	<input type="text"/>
Unposted Transaction	<input type="text"/>
Available Budget	<input type="text"/>

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April 3, 2012

COMMITTEE MEETING
April 3, 2012

Honorable Chair and Members
Of the Finance & Governmental Operations Committee
City Hall
Torrance, California

The Treasurer's Office and the Investment Advisory Committee have set out to develop and implement investment procedures that ensure the City's investment objectives of a high degree of asset safety and adequate liquidity to meet operating and capital expenditure needs, and a reasonable return of the City's investment assets given the City's foremost goals of safety and liquidity.

Investment Summary

As of December 31, 2011 total investments of \$311.4 million consisted of the following categories:

1) Pooled Funds (Investment Portfolio)	\$ 154.6 million
2) Restricted Funds:	
A. Debt issue proceeds	\$ 9.9 million
B. Deferred Compensation	
a) 457	\$ 130.3 million
b) 401(a)	\$ 7.3 million
C. Retirement Health Savings Plan	\$ 3.1 million
D. Public Agency Retirement Services (PARS)	\$ 6.2 million

The Pooled Funds consist of surplus funds invested and managed directly by the City Treasurer. The funds have generated year-to-date interest earnings of \$1.3 million and the effective rate of return equaled 1.67%.

The restricted funds, made up of the Debt issue proceeds, Deferred Compensation funds, Retirement Health Savings Plan and PARS are invested accordingly:

- 1) Debt issue proceeds are invested through a trustee appointed under the Debt Trust Indenture. The funds are invested at the direction of the City Treasurer.
- 2) Deferred Compensation fund is managed by a third party administrator - Great West Life. Investment options made available to the participants are selected and approved by the Deferred Compensation Committee. The fund is a self-directed program. Participants have the ability to direct their contributions among numerous investment options.

- 3) The Retirement Health Savings Plan is managed by a third party administrator – ICMA Retirement. Investment Options are made available to the participants and are selected by ICMA Retirement. Participants can direct their contributions among numerous investment options. This tax-deferred program has been offered to employees for the purpose of saving dollars to supplement the cost of health expenses upon retirement.
- 4) The PARS Plan is an enhanced benefit plan managed by a third party administrator – Public Agency Retirement Services and held in Trust through Union Bank. The investment Option is chosen by the City Treasurer as the Plan Administrator. However, the City Treasurer works in conjunction with the two employee associations (TPSA and Engineers) that negotiated this benefit for their membership. This tax-deferred program has been negotiated with TPSA and Engineers for the purpose of enhancing their retirement benefit.

NOTE: The Deferred Compensation Plans, Retirement Health Savings Plan and PARS are held in a custodial account for the benefit of the Participants or their Beneficiaries and are not an asset of the City of Torrance.

Investment Forecast

As stated by The Federal Open Market Committee, the committee will maintain the target for the federal funds rate at 0 to .25 percent well into 2013. Chairman Bernanke has expressed concerns that although we have seen improvement in the economy the growth rate has not been strong or consistent thus supporting the Fed's low rate commitment. The FOMC will continue to monitor the economy and adjust their strategy as needed to subdued inflation trends, and stable inflation expectations.

How does this affect our Investment Portfolio? It means that current and future purchases will be receiving a lower interest rate return. The portfolio's callable instruments with higher rates are more likely to be called and will be reinvested at lower rates of return. Overall, the effective rate of return on the portfolio will decline.

GASB 31 Impacts on Investments

GASB 31 took effect June 1997. The intent of GASB 31 is to bring to light potential liquidity problems by requiring municipalities to denote to market their securities with a maturity greater than one year. This paper gain or loss must be booked against investment earnings at year-end.

One way to avoid the gain/loss issue is to limit all purchases to maturities of less than one year. This condition would then preclude a market valuation and allow investments to be carried on a book value basis. This situation could reduce earnings potential in the loss of yield that a security with a longer term would usually offer.

Within our investment policy we adhere to a buy and hold philosophy. Therefore, our current strategy will not change in light of GASB 31. We will continue to place a percentage of the portfolio out longer on the yield curve to take advantage of higher earnings. At the same time we keep in excess of 17.66% of the portfolio liquid in order to meet current and future obligations.

At the present time the monthly investment report tracks all securities by listing the face value, book value and market value. The portfolio paper gain or loss is the difference between book and market value. The unrealized gain/loss is noted monthly even though it is not physically applied to earnings until year-end.

Investment Strategy

Over the last quarter, securities that were either called or redeemed have been re-invested. However, due to the declining market environment all new purchases were re-invested at a lower interest rate. As an example, the securities that were redeemed rolled off with an average rate of return of 1.808% whereas all new purchases were invested with an average rate of return of 1.60%. However, when compared to the three year Constant Maturing Treasury rolling average of .36%, the Portfolio is still outperforming its benchmark.

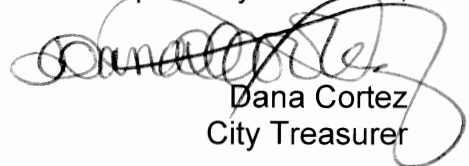
Strategically, we will continue to place money out in the market. Although the market would encourage a very short portfolio, it is not our intent to change our objectives of matching purchases with cash flow needs. We will continue to place investments out on the yield curve to take advantage of a higher rate of return with funds that are not needed on the short term.

To be consistent with the City's objectives of high degree of asset safety, all investments will be invested in high quality rated instruments or those guaranteed by the "full faith and credit" of the government.

Recommendation

Accept and file the 2nd Quarter Report.

Respectfully submitted,



Dana Cortez
City Treasurer

NOTED:



LeRoy J. Jackson
Investment Committee Member

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